



## UMA CONVERTER LIMITED

Uma Converter Limited ("Company" or "Issuer") was originally incorporated as 'Uma Converter Private Limited' on June 18, 1999 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Pursuant to a special resolution of our Shareholders passed in the 19<sup>th</sup> annual general meeting held on August 29, 2018 our Company was converted from a private limited company to a public limited company and consequently the name of our Company was changed to 'Uma Converter Limited', and a fresh certificate of incorporation dated September 27, 2018 was issued to our Company by the Registrar of Companies, Gujarat at Ahmedabad. For details of change in the name of our Company and Registered Office of our Company, see "History and Certain Corporate Matters" on page 175 of this Draft Red Herring Prospectus.

**Registered Office:** Block number 868, Near CNG Petrol Pump, Santej Road, Village - Santej, Taluka - Kalol, Gandhinagar- 382 721, Gujarat, India.; **Telephone:** +91 93 2710 3652

**Contact Person:** Parth Bharatkumar Kamdar, Company Secretary and Compliance Officer; **E-mail:** cs@umaconverter.com; **Website:** www.umaconverter.com;

**Corporate Identity Number:** U25111GJ1999PLC036163

### OUR PROMOTERS- SUMER RAJ LODHA, NIRMALA LODHA AND ABHISHEK SUMERRAJ LODHA

**INITIAL PUBLIC OFFERING OF UPTO [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH ("EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "ISSUE PRICE"), AGGREGATING UPTO ₹ 3,600 LACS ("ISSUE"). THE ISSUE SHALL CONSTITUTE [●]% OF THE FULLY DILUTED POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH. THE ISSUE PRICE IS [●] TIMES THE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND ALL EDITIONS OF [●] (A WIDELY CIRCULATED GUJARATI DAILY NEWSPAPER, GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT, WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST TWO (2) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS"), AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") ("BSE" AND TOGETHER WITH NSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.**

In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least three (03) additional Working Days following such revision of the Price Band, subject to the Bid/Issue Period not exceeding ten (10) Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three (03) additional Working Days, subject to the Bid/Issue Period not exceeding ten (10) Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the BRLM and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("SCSBs"), other Designated Intermediaries and the Sponsor Bank, as applicable.

The Issue is being made through Book Building Process in terms of Rule 19(2)(b) of the Securities Contracts Regulation Rules, 1957, as amended ("SCRR"), read with Regulation 31 of the SEBI ICDR Regulations and is being made through Book Building Process, in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein at least 75% of the Net Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("Anchor Investor Portion"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 75% of the Net Issue cannot be Allotted to QIBs, all the application monies will be refunded/ unblocked forthwith. Further, not more than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilize the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID (in case of RIBs) if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as applicable. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "Issue Procedure" on page 304.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10/- each. The Floor Price, Cap Price and Issue Price (determined and justified by our Company in consultation with the Book Running Lead Manager, in accordance with the SEBI ICDR Regulations, and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in the section entitled "Basis for Issue Price" on page 105) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the 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 in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page 26 of this Draft Red Herring Prospectus.

### OUR COMPANY'S ABSOLUTE RESPONSIBILITY

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

### LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received an 'in-principle' approval from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be NSE. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Issue Closing Date, see "Material Contracts and Documents for Inspection" on page 360 of this Draft Red Herring Prospectus.

### BOOK RUNNING LEAD MANAGER



**GYR CAPITAL ADVISORS PRIVATE LIMITED**  
428, Gala Empire, Near JB Tower,  
Drive in Road, Thaltej,  
Ahmedabad-380 054,  
Gujarat, India.  
**Telephone:** +91 82 0093 1018  
**Facsimile:** N.A.  
**E-mail:** info@gyrcapitaladvisors.com  
**Website:** www.gyrcapitaladvisors.com  
**Investor grievance:** investors@gyrcapitaladvisors.com  
**Contact Person:** Ikshat Shah  
**SEBI Registration Number:** INM000012810



### REGISTRAR TO THE ISSUE

**BIGSHARE SERVICES PRIVATE LIMITED**  
1<sup>st</sup> floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (East),  
Mumbai- 400 059, Maharashtra, India.  
**Telephone:** +91 22 6263 8200  
**Facsimile:** +91 22 6263 8280  
**E-mail:** ipo@bigshareonline.com  
**Website:** www.bigshareonline.com  
**Investor grievance:** investor@bigshareonline.com  
**Contact person:** Ashish Bhoje  
**SEBI Registration No:** INR000001385

### BID/ISSUE PROGRAMME

ISSUE OPENS ON\*

[●]

ISSUE CLOSES ON\*\*

[●]

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

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

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise specified or indicates, requires or implies, shall have the meaning as provided below. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.*

*The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. If there is any inconsistency between the definitions given below and the definitions contained in the General Information Document (defined hereinafter), the following definitions shall prevail.*

#### General Terms

Term	Description
“Company”, “our Company”, “Uma Converter”, “the Company”, “the Issuer” or “UCL”	Uma Converter Limited, a company incorporated under the Companies Act, 1956, having its registered office at Block number 868, Near CNG Petrol Pump, Santej Road, Village - Santej, Taluka - Kalol, Gandhinagar- 382 721, Gujarat, India.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, refers to our Company.

#### Company Related Terms

Term	Description
Appraisal Report	Techno Economic Viability Report released in June 2021 by Care Advisory Research & Training Limited.
Articles / Articles of Association / AoA	The Articles / Articles of Association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as our Company’s audit committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“ <b>SEBI Listing Regulations</b> ”) and Section 177 of the Companies Act, 2013. For details, see “ <i>Our Management</i> ” on page 179 of this Draft Red Herring Prospectus.
Auditor / Statutory Auditor/ Peer Review Auditor	Statutory and peer review auditor of our Company, namely, M/s. Bhanwar Jain & Co., Chartered Accountants.
Board / Board of Directors	Board of directors of our Company or a duly constituted committee thereof.
Chairman	The Chairman of our Board of Directors.
Chief Financial Officer / CFO	Ashish Bhandari, the Chief Financial Officer of our Company.
Company Secretary and Compliance Officer	Parth Bharkumar Kamdar, the Company Secretary and the Compliance Officer of our Company.
Corporate Social Responsibility Committee	The committee of the Board of directors constituted as our Company’s corporate social responsibility committee in accordance with Section 135 of the Companies Act, 2013. For details, see “ <i>Our Management</i> ” on page 179 of this Draft Red Herring Prospectus.
Director(s)	The director(s) on the Board of our Company, unless otherwise specified.
Equity Shares	Equity shares of our Company of face value of ₹ 10 each.
Executive Directors	Executive directors of our Company.
Group Companies	Companies (other than our Subsidiary) with which there have been related party transactions, during the last three financial years, as covered under the applicable

<b>Term</b>	<b>Description</b>
	accounting standards and other companies as considered material by the Board in accordance with the Materiality Policy.
Independent Director(s)	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
Promoters	Promoters of our Company, namely Sumer Raj Lodha, Nirmala Lodha and Abhishek Sumerraj Lodha. For further details, please see the section entitled “ <i>Our Promoters and Promoter Group</i> ” on page 195 of this Draft Red Herring Prospectus.
IPO Committee	The committee of our Company constituted pursuant to a resolution passed by our Board on April 20, 2021 to facilitate the process of the Issue, as described in “ <i>Our Management</i> ” on page 179 of this Draft Red Herring Prospectus.
Key Managerial Personnel / KMP	Key management personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the subsection titled “ <i>Our Management – Key Managerial Personnel</i> ” on page 193 of this Draft Red Herring Prospectus.
Managing Director/ MD	The managing director of our Company.
Materiality Policy	A policy adopted by our Company, in its Board meeting held on April 20, 2021, for identification of group companies, material creditors and material litigations.
Memorandum of Association / MoA	Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The committee of the Board of directors reconstituted as our Company’s nomination and remuneration committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. For details, see “ <i>Our Management</i> ” on page 179 of this Draft Red Herring Prospectus.
Non-executive Directors	Non-executive Directors of our Company.
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, see “ <i>Our Promoter and Promoter Group</i> ” on page 195 of this Draft Red Herring Prospectus.
Registered Office	The registered office of our Company situated at Block number 868, Near CNG Petrol Pump, Santej Road, Village - Santej, Taluka - Kalol, Gandhinagar- 382 721, Gujarat, India.
Registrar of Companies/ RoC	Registrar of Companies, Gujarat at Ahmedabad.
Restated Financial Statements / Restated Financial Information	Restated financial statements of our Company for the nine months period ended December 31, 2020 and for the Fiscals 2020, 2019 and 2018 prepared in accordance with Ind AS and examined by the Auditor in accordance with the requirements of the Companies Act and restated in accordance with the provisions of the SEBI ICDR Regulations.  For details, see “ <i>Financial Information</i> ” on page 205 of this Draft Red Herring Prospectus.
Shareholders	Shareholders of our Company, from time to time.
Stakeholders’ Relationship Committee	The committee of the Board of Directors constituted as our Company’s Stakeholders’ Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations. For details, see “ <i>Our Management</i> ” on page 179 of this Draft Red Herring Prospectus.
Whole-time Director	The whole-time director of our Company.

#### **Issue Related Terms**

<b>Term</b>	<b>Description</b>
Acknowledgement Slip	The slip or document issued by the Designated Intermediary (ies) to a Bidder as proof of registration of the Bid Cum Application Form.
Allot/Allotment/ Allotted	Unless the context otherwise requires, the issue and allotment of the Equity Shares pursuant to the Issue to the successful Bidders.
Allotment Advice	Note or advice or intimation of Allotment sent to each successful Bidder who have been or are to be Allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.

<b>Term</b>	<b>Description</b>
Allottee	A successful Bidder to whom the Equity Shares are Allotted.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investor in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the BRLM in the Anchor Investor Bid/ Issue Period.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bid/ Issue period / Anchor Investor Bidding Date	The day, one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLM will not accept any bids from Anchor Investors, and allocation to Anchor Investors shall be completed.
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price, but not higher than the Cap Price.  The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLM.
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/ Issue Closing Date.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the BRLM, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations.  One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor portion for a minimum Bid of at least ₹ 1,000 lacs, in accordance with the SEBI ICDR Regulations.
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by a Bidder, other than Anchor Investors, to make a Bid and authorize a SCSB to block the Bid Amount in the ASBA account and will include amounts blocked by SCSB upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism.
ASBA Account	A bank account maintained with an SCSB which may be blocked by such SCSB or the account of the RIBs blocked upon acceptance of UPI Mandate Request by the RIBs using the UPI Mechanism to the extent of the Bid Amount of the ASBA Bidder.
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
ASBA Bidders	All Bidders except Anchor Investors who make a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form.
ASBA Form	An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by the ASBA Bidders and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Banker(s) to the Issue	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Public Issue Account will be opened, in this case being [●].
Basis of Allotment	Basis on which the Equity Shares will be Allotted to successful Bidders under the Issue and which is described in “ <i>Issue Procedure</i> ” on page 304 of this Draft Red Herring Prospectus.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or as blocked in the ASBA Account, as the case may be, upon submission of the Bid in the Issue.
Bid Application Form	The Anchor Investor Application Form or the ASBA Form including through UPI mode (as applicable), as the context requires.
Bid Lot	[●] Equity Shares and in multiple of [●] Equity Shares, thereafter.
Bid(s) /Bidding	An indication to make an offer during the Bid/Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid / Issue Period by the Anchor Investors, pursuant to submission of Anchor Investor Application

<b>Term</b>	<b>Description</b>
	Form including through UPI mode (as may be applicable), to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and Bid cum Application form.
	The term “Bidding” shall be construed accordingly.
Bid/ Issue Closing Date	Except in relation to the Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●] which shall be published in English national daily newspaper [●], Hindi national daily newspaper [●] and Gujarati regional daily newspaper, Gujarati being the regional language of Gujarat, where our Registered Office is located, each with wide circulation. In case of any extension, the extended Bid/Issue Closing Date shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate Member, as required under the SEBI ICDR Regulations and also intimate to SCSBs, the Sponsor Bank, and Registered Brokers, RTA and CDPs.
	Our Company, in consultation with the BRLM, may consider closing the Bid/ Issue Period for QIBs one (01) Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations.
Bid/ Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting ASBA Bids for the Issue being [●].
Bid/ Issue Period	Except in relation to Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which the Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations, which shall be published in English national daily newspaper [●], Hindi national daily newspaper [●] and Gujarati regional daily newspaper, Gujarati being the regional language of Gujarat, where our Registered Office is located, each with wide circulation..
	Our Company, in consultation with the BRLM, may consider closing the Bid/ Issue Period for QIBs one (01) Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations.
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied includes an ASBA Bidder and an Anchor Investor.
Bidding Centers	The centers at which the Designated Intermediaries shall accept the Bid cum Application Forms i.e. Designated Branches for SCSBs, Specified Locations for Members of the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	The book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
Book Running Lead Manager/ BRLM	The book running lead manager to the Issue, being GYR Capital Advisors Private Limited.
Broker Centers	Broker centers notified by the Stock Exchanges, where Bidders can submit the ASBA Forms to a Registered Broker.
	The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the respective Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ) and are updated from time to time.
CAN /Confirmation of Allocation Note	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/ Issue Period.
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account.

<b>Term</b>	<b>Description</b>
Collecting Depository Participant(s)/ CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of BSE ( <a href="http://www.bseindia.com">www.bseindia.com</a> ) and NSE ( <a href="http://www.nseindia.com">www.nseindia.com</a> ).
Controlling Branches	Such branches of SCSBs which coordinate Bids under the Issue with the BRLM, the Registrar and the Stock Exchanges, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> .
Cut-off Price	The Issue Price, finalised by our Company in consultation with the BRLM, which shall be any price within the Price Band.  Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, bank account details and UPI ID wherever applicable.
Designated CDP Locations	Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges. ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ).
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIBs using UPI mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, after the Prospectus is filed with the RoC.
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIIs authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.  In relation to ASBA Forms submitted by RIIs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate, Registered Brokers, CDPs and RTAs.  In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, Syndicate, sub-syndicate, Registered Brokers, CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders, except Anchor Investors can submit the ASBA Forms to RTAs.  The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ), as updated from time to time.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	National Stock Exchange of India Limited
DP ID	Depository Participant's identity number
Draft Red Herring Prospectus/DRHP	This Draft Red Herring Prospectus dated June 30, 2021 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars, including the price at which the Equity Shares will be allotted and the size of the Issue, including any addenda or corrigenda thereto.



<b>Term</b>	<b>Description</b>
Eligible NRI(s)	NRI eligible to invest under Schedule 3 and Schedule 4 of the FEMA Regulations, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares.
Equity Listing Agreements	The listing agreements to be entered into by our Company with the Stock Exchanges in relation to our Equity Shares.
Escrow Account(s)	The 'no-lien' and 'no-interest bearing' account(s) opened for the Issue with the Escrow Collection Bank and in whose favour the Bidders (excluding ASBA Bidders) may issue or transfer money through direct credit/NACH/NEFT/RTGS in respect of the Bid Amount when submitting a Bid.
Escrow Agent	[●]
Escrow Agreement	The agreement to be entered into by our Company, the Registrar to the Issue, the BRLM, the Escrow Collection Bank(s), the Sponsor Bank and the Refund Bank(s) for, inter alia, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof.
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●].
First Bidder/Sole Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of a joint Bid and whose name shall also appear as the first holder of the beneficiary account held in joint names or any revisions thereof.
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted.
General Information Document/ GID	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 circular no. SEBI / HO / CFD / DIL2 / CIR / P / 2020 / 50 dated March 30, 2020, as amended by SEBI from time to time and the UPI Circulars The General Information Document shall be available on the websites of the Stock Exchanges and the BRLM.
Issue Agreement	The agreement dated June 29, 2021 between our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The final price within the Price Band at which the Equity Shares will be Allotted to successful Bidders (other than Anchor Investor) in terms of the Red Herring Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the Book Running Lead Manager on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus.
Issue Proceeds	The proceeds of the Issue which shall be available to our Company. For further information about use of the Issue Proceeds, see " <i>Objects of the Issue</i> " on page 93 of this Draft Red Herring Prospectus.
Issue/Issue Size	Initial Public Offering of up to [●] Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] each, aggregating up to ₹ 3,600 lacs.
Maximum Allottees	RIB The maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot, subject to valid Bids received at or above the Issue Price.
Mutual Fund	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Net Proceeds	Proceeds of the Issue less our Company's share of Issue related expenses. For further information about the Issue related expenses, see " <i>Objects of the Issue</i> " on page 93 of this Draft Red Herring Prospectus.
Net QIB Portion	The QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non-Institutional Bidders or NIIs or NIBs	All Bidders that are not QIBs (including Anchor Investor) or Retail Individual Bidders and who have Bid for the Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs).

<b>Term</b>	<b>Description</b>
Non-Institutional Portion	Portion of the Issue being not more than 15% of the Issue consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.
Non-Resident/ NR	A person resident outside India, as defined under FEMA and includes a non-resident Indian, FPIs and FVCIs.
Pre-Issue Advertisement	The pre-Issue advertisement to be published by our Company under Regulation 43 of the SEBI ICDR Regulations and Section 30 of the Companies Act, 2013 after filing of the Red Herring Prospectus with the RoC, in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and all editions of [●] (a widely circulated Gujarati newspaper, Gujarati being the regional language of Gujarat where our Registered Office is located), each with wide circulation, respectively.
Price Band	Price Band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price), including any revisions thereof.  The Price Band and minimum Bid Lot for the Issue will be decided by our Company in consultation with the BRLM and will be advertised, at least two (2) Working Days prior to the Bid/Issue Opening Date, in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and all editions of [●] (a widely circulated Gujarati newspaper, Gujarati being the regional language of Gujarat where our Registered Office is located), along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company in consultation with BRLM will finalise the Issue Price.
Promoters' Contribution	In terms of Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the post-Issue Equity Share capital of our Company held by our Promoters which shall be considered as Promoters' contribution and locked in for a period of three years from the date of allotment.
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Issue Price that is determined through the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto.
Public Issue Account	The 'no-lien' and 'no-interest bearing' account to be opened under Section 40(3) of the Companies Act, 2013, with the Public Issue Account Bank to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date.
Public Issue Account Bank	A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Issue Account for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts will be opened, in this case being [●].
QIB Bid Closing Date	In the event our Company, in consultation with the BRLM, decide to close Bidding by QIBs one day prior to the Bid Closing Date, the date which is one day prior to the Bid Closing Date; otherwise it shall be the same as the Bid Closing Date.
QIB Portion/QIB category	Portion of the Issue (including the Anchor Investor Portion) being not less than 75% of the Issue consisting of [●] Equity Shares which shall be Allotted to QIBs (including Anchor Investors).
Qualified Institutional Buyers/ QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus/ RHP	The Red Herring Prospectus to be issued in accordance with section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue, and includes any addenda and corrigenda thereto.  The Red Herring Prospectus will be filed with the RoC at least three (03) Working Days before the Bid/ Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date.

<b>Term</b>	<b>Description</b>
Refund Account(s)	The 'no-lien' and 'no-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made.
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●].
Refunds through electronic transfer of funds	Refunds through NACH, Direct Credit, RTGS or NEFT, as applicable.
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and having terminals at any of the Broker Centres and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 and the UPI Circulars issued by SEBI.
Registrar Agreement	The registrar agreement dated June 15, 2021 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents/ RTAs	The registrar and the share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the UPI Circulars issued by SEBI as per the list available on the websites of BSE and NSE.
Registrar to the Issue / Registrar	Bigshare Services Private Limited
Retail Individual Bidders(s)/Retail Individual Investor(s)/ RII(s)/RIB(s)	Resident Individual Bidders submitting Bids, who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta) and Eligible NRIs.
Retail Portion	Portion of the Issue being not more than 10% of the Issue consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.
Revision Form	The form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s) QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can withdraw or revise their Bids until Bid/Issue Closing Date.
Self-Certified Syndicate Banks or SCSBs	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time.
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from the Bidders, a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> and updated from time to time.
Sponsor Bank	[●], being a Banker to the Issue registered with SEBI, appointed by our Company 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 RIBs using the UPI.
Stock Exchanges	BSE Limited and National Stock Exchange of India Limited.
Syndicate Agreement	The agreement dated [●], entered into between the BRLM, the Syndicate Members, our Company and Registrar to the Issue in relation to the collection of the ASBA Forms by the Syndicate Members.

<b>Term</b>	<b>Description</b>
Syndicate Members	Intermediaries registered with SEBI who are permitted to accept bids, applications and place orders with respect to the Issue, and to carry out activities as an underwriter, in this case, [●].
Syndicate/ Members of the Syndicate	The BRLM and the Syndicate Members.
Systemically Important Non-Banking Financial Companies	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
TRS/Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid.
Underwriters	[●]
Underwriting Agreements	The agreement dated [●] entered into among the Underwriters and our Company on or after the Pricing Date but prior to the filing of the Prospectus with the RoC.
Unified Payment Interface or UPI	Unified Payment Interface is an instant payment system developed by National Payments Corporation of India, which enables merging several banking features, seamless fund routing and merchant payments into one hood. It allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a persons' bank account.
UPI	Unified Payment Interface.
UPI Circulars / SEBI UPI Circulars	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 and any subsequent circulars or notifications issued by SEBI or any other governmental authority in this regard.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI 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.
UPI Mechanism	Process for applications by RIBs submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars.
UPI PIN	Password to authenticate UPI transaction.
Wilful Defaulter	A Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges. "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI, including the UPI Circulars.

#### **Conventional and General Terms and Abbreviations**

<b>Term</b>	<b>Description</b>
AGM	Annual General Meeting

<b>Term</b>	<b>Description</b>
AIF(s)	Alternative Investment Funds
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate.
Category I AIF	AIFs which are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations.
Category II AIF	AIFs which are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations.
Category III AIF	AIFs which are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulation.
Category I FPI(s)	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations.
Category II FPI(s)	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III FPIs	FPIs who are registered as Category III FPIs under the SEBI FPI Regulations, and shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices.
CDSL	Central Depository Services (India) Limited.
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970.
Companies Act	Companies Act, 1956 and / or the Companies Act, 2013 as applicable.
Companies Act 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
Companies Act 2013	Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder.
Consolidated FDI Policy	The consolidated FDI Policy, effective from August 28, 2017, 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.
CRAR	Capital to Risk Asset Ratio
CSR	Corporate social responsibility
Depository(ies)	NSDL and CDSL, both being depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP ID	Depository Participant’s Identity Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Term Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion)
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EGM	Extraordinary General Meeting
EPF Act	Employees’ Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees’ State Insurance Act, 1948
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 duly amended
Financial Year/Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year

<b>Term</b>	<b>Description</b>
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and services tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
INR or ₹ or Rs. Or Indian Rupees	Indian Rupee, the official currency of the Republic of India.
IPO	Initial public offering
IRDAI	Statutory body constituted under the Insurance Regulatory and Development Authority Act, 1999
IRR	Internal rate of return
IST	Indian Standard Time
Insolvency Code	Insolvency and Bankruptcy Code, 2016
ISIN	International Securities Identification Number
IT	Information Technology
Lacs	Lakhs
LIBOR	London Inter-Bank Offer Rate
MCA	The Ministry of Corporate Affairs, GoI
Mn / mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NACH	National Automated Clearing House, a consolidated system of ECS.
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
NRO	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after tax
PIO	Person of India Origin

<b>Term</b>	<b>Description</b>
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the Securities Act
RTI	Right to Information, in terms of the Right to Information Act, 2005
Rule 14A	Rule 144A under the Securities Act
₹/Rs./ Rupees/ Indian Rupees	The lawful currency of India
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
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 Ind AS Transition Circular	SEBI Circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Securities Act	The United States Securities Act of 1933.
STT	Securities Transaction Tax
State Government	The government of a state in India
Trademarks Act	Trademarks Act, 1999
TDS	Tax deducted at source
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
w.e.f.	With effect from
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve month period ending December 31

#### **Industry Related Terms**

<b>Term</b>	<b>Description</b>
CAGR	Compound Annual Growth Rate
CART	Care Advisory Research and Training
CMIE	Centre for Monitoring Indian Economy
CY	Calendar Year
DPIIT	Department for Promotion of Industry and Internal Trade

<b>Term</b>	<b>Description</b>
FDI	Foreign Direct Investment
FMCG	Fast Moving Consumer Goods
FY	Financial Year
GDP	Gross Domestic Product
IIP	Indian Institute of Packaging
INR	Indian National Rupee
MoSPI	Ministry of Statistics and Programme Implementation
MT/LMT	Metric Tonne/Lakh Metric Tonne
PAT	Profit After Tax
PET	Polyethylene Terephthalate
PMMI	The Packing Machinery Manufacturers Institute
PP	Polypropylene
Q3 & Q4	Quarter 3 and Quarter 4
R&D	Research and Development
SBS	solid bleached sulfate
TPA	Tonne per Annum
US\$	United States Dollars

Notwithstanding the foregoing, terms in “*Description of Equity Shares and Terms of Articles of Association*”, “*Statement of Tax Benefits*”, “*Industry Overview*”, “*Key Industrial Regulations and Policies*”, “*Financial Information*”, “*Outstanding Litigation and Material Developments*” and “*Issue Procedure*” on pages 328, 108, 113, 163, 205, 272 and 304 respectively of this Draft Red Herring Prospectus, will have the meaning ascribed to such terms in these respective sections.



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

### **Certain Conventions**

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

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

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

### **Financial Data**

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Red Herring Prospectus has been derived from our Restated Financial Information. For further information, please see the section titled “*Financial Information*” on page 205 of this Draft Red Herring Prospectus.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The Restated Financial Statements of our Company for the nine months period ended December 31, 2020 and for the Financial Years ended March 2020, 2019 and 2018 which comprise restated summary statement of assets and liabilities, the restated summary statement of profit and loss, the restated summary statement of cash flow and restated summary statement of changes in equity together with the annexures and notes thereto and the examination report thereon, as compiled from the Indian Accounting Standard (Ind AS) financial statements for respective period/year and in accordance with the requirements provided under the provisions of the Companies Act, SEBI ICDR Regulations and the Guidance Note on “*Reports in Company Prospectuses (Revised 2019)*” issued by ICAI.

There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, the Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 26, 146 and 254 respectively, of this Draft Red Herring Prospectus, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements of our Company, prepared in accordance with Ind AS, and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places including percentage figures in “*Risk Factors*”, “*Industry Overview*” and “*Our Business*” on pages 26, 113 and 146 respectively, this Draft Red Herring Prospectus.

### **Currency and Units of Presentation**

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America; and
- “Euro” or “€” are to Euros, the official currency of the European Union.

Our Company has presented all numerical information in its Draft Red Herring Prospectus in “lacs” units or in whole numbers where the numbers have been too small to represent in lacs. One lac represents 1,00,000 and one million represents 10,00,000.

### Exchange rates

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

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

Currency	Exchange rate as on		
	March 31, 2021	March 31, 2020	March 31, 2019*
1 USD	73.53	75.38	69.17
1 Euro	86.10	83.04	77.70

(Source: RBI reference rate)

\*Exchange rate as on March 29, 2019, as RBI reference rate is not available for March 31, 2019 and March 30, 2019 being a Saturday and Sunday, respectively.

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

### Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the BRLM or any of its affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page 26, this Draft Red Herring Prospectus. Accordingly, investment decisions should not be based solely on such information.

Certain information in “*Industry Overview*” and “*Our Business*” on pages 113 and 146, respectively of this Draft Red Herring Prospectus has been obtained, derived or extracted from the industry report titled “*Report on Indian Flexible Packaging Industry*” prepared by *Care Advisory*, a division of *CARE Advisory Research and Training Limited (“CARE”)* in the month of June 2021 which has issued the following disclaimer:

*“This report is prepared by CARE Advisory Research and Training Limited (CART). CART has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in public domain. However, neither the accuracy nor completeness of information contained in this report is guaranteed. CART operates independently of ratings division and this report does not contain any confidential information obtained by ratings division, which they may have obtained in the regular course of operations. The opinion expressed in this report cannot be compared to the rating assigned to the company within this industry by the ratings division. The opinion expressed is also not a recommendation to buy, sell or hold an instrument.”*

*CART is not responsible for any errors or omissions in analysis/inferences/views or for results obtained from the use of information contained in this report and especially states that CARE (including all divisions) has no financial liability whatsoever to the user of this product. This report is for the information of the intended recipients only and no part of this report may be published or reproduced in any form or manner without prior written permission of CART.”*

In accordance with the SEBI ICDR Regulations, “*Basis for Issue Price*” on page 105 of this Draft Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM has independently verified such information.

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

## FORWARD - LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “propose”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. These forward-looking statements, whether made by us or a third party, are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements.

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

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

- A downturn in the utility of our products to the industries we cater to;
- A reduction in the demand of our products and/or competing products gaining wider market acceptance;
- Loss of one or more of our key customers and/or suppliers;
- An increase in the productivity and overall efficiency of our competitors;
- An adverse change in the regulations governing our products and the products of our customers;
- A decrease in the demand for the products of our customers in food and beverage industry;
- Any adverse development that may affect the operations of our manufacturing units;
- Any qualifications or other observations made by our future statutory auditors which may affect our results of operations;
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals with respect to the usage of our key raw material may adversely affect our business, financial condition, results of operations and prospects
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Our ability to successfully execute our expansion strategy in a timely manner or at all;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Our reliance on third party suppliers for our products;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in foreign exchange rates or other rates or prices;
- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with our Promoters, Promoter Group, Group Company and other related parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer/works contracts without cause and with little or no notice or penalty; and

- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 26, 146 and 254, respectively, of this Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Promoters, the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company, the Promoters and the Book Running Lead Managers will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Issue.

## OFFER DOCUMENT SUMMARY

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections entitled “*Risk Factors*”, “*Industry Overview*”, “*Outstanding Litigation and Material Developments*”, “*Our Promoters and Promoter Group*”, “*Financial Statements*”, “*Objects of the Issue*”, “*Our Business*”, “*Issue Procedure*” and “*Description of Equity Shares and Terms of Articles of Association*” on pages 26, 113, 272, 195, 205, 93, 146, 304 and 328, respectively.

### 1. Summary of Industry

The packaging market in India seems set for the next level of growth. Strong favorable demographics aside, factors such as increasing disposable income levels, rising consumer awareness, demand for processed food, the multinational giants taking rapid strides in the food, beverages, cosmetics and pharmaceuticals, are expected to be the key drivers of this growth story. These factors are forcing both packaging suppliers and end-user industry to shift from bulk packaging to retail, unit-level and small-sized packaging. In addition, exploding organized retail growth and newly relaxed FDI investment norms in retail and other sectors augur well for packaging market in India.

For further details, please refer to the chapter titled “*Industry Overview*” on page 113 of this Draft Red Herring Prospectus.

### 2. Summary of Business

We are engaged in manufacturing flexible packaging material which is multi-functional and caters to the packaging requirements of various industries. Our product portfolio largely consists of multi-color pouches, stand-up pouches, zip-lock pouches, vacuum pouch, paper bag, e-commerce bag, etc. We manufacture packaging material suitable for packaging products manufactured in food and beverage industry, e-commerce industry, pharmaceutical industry, hygiene and personal care industry, household industry and agricultural industry. Apart from manufacturing products for direct sale to our customers, we are also engaged in manufacturing and carrying out various printing and lamination processes for third parties on a job work basis.

For further details, please refer to chapter titled “*Our Business*” on page 146 of this Draft Red Herring Prospectus.

### 3. Promoters

Sumer Raj Lodha, Nirmala Lodha and Abhishek Sumerraj Lodha are the Promoters of our Company. For further details please see chapter titled “*Our Promoters and Promoter Group*” beginning on page 195 of this Draft Red Herring Prospectus.

### 4. Issue

Initial Public Offer is of upto [●] Equity Shares of face value of ₹ 10 each of the Company for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating upto ₹ 3,600 lacs. For further details, please see chapter titled “*The Issue*” beginning on page 63 of this Draft Red Herring Prospectus.

### 5. Objects of the Issue

		(₹ in lacs)
Sr. No.	Particulars	Estimated amount
1.	Repayment or prepayment of unsecured loans availed from Sumer Raj Lodha, Nirmala Lodha and Abhishek Sumerraj Lodha, the Promoters of our Company	300
2.	Expansion of our manufacturing facility situated at Timba, Gujarat	2,175
3.	General corporate purposes <sup>(1)</sup>	[●]

<sup>(1)</sup>To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

For further details, please see chapter titled “*Objects of the Issue*” beginning on page 93 of this Draft Red Herring Prospectus.

## 6. Shareholding of Promoters and Promoter Group

Following are the details of the pre-Issue shareholding of Promoters and Promoter Group:

Sr. No.	Name of the Shareholders	Pre-Issue	
		Number of Equity Shares	% of Pre-Issue Equity Share Capital
<b>Promoters</b>			
1.	Sumer Raj Lodha	40,46,188	27.54
2.	Nirmala Lodha	56,51,101	38.46
3.	Abhishek Sumerraj Lodha	26,40,214	17.97
<b>Promoter Group</b>			
4.	Shradha Abhishesk Lodha	7,60,000	5.17
5.	Sumer Raj Lodha and Sons (HUF)	5,84,463	3.98
6.	Abhishek Lodha and Sons (HUF)	1,60,000	1.09
7.	Lila Devi Bothra	1,00,000	0.68
8.	Ganpat Bhansali	10,000	0.07
<b>Total</b>		<b>1,39,51,966</b>	<b>94.96</b>

For further details, please see chapter titled “*Capital Structure*” on page 76 of this Draft Red Herring Prospectus.

## 7. Summary of Restated Financial Information

Following are the details as per the Restated Financial Information as at and for the nine months period ended December 31, 2020 and for the Financial Years ended on March 31, 2020, 2019 and 2018:

(₹ in lacs)					
S. No.	Particulars	December 31, 2020	March 31, 2020	March 31, 2019	March 31, 2018
1.	Share Capital	1,469.43	1,469.43	648.00	405.00
2.	Net Worth	4,295.89	3,872.31	3,164.60	2,737.09
3.	Revenue from operations	11,782.98	10,359.10	10,442.93	9,017.20
4.	Profit after Tax	425.12	274.26	425.62	415.95
5.	Earnings per Share	2.89	2.01	3.29	3.66
6.	Net Asset Value per equity share	29.24	26.35	48.84	67.58
7.	Total borrowings	6,442.26	5,247.22	3,605.17	3,336.99

For further details, please refer the section titled “*Financial Information*” on page 205 of this Draft Red Herring Prospectus.

## 8. Auditor qualifications which have not been given effect to in the Restated Financial Information

The Restated Financial Information does not contain any qualification requiring adjustments by the Auditors.

## 9. Summary of Outstanding Litigation

A summary of the pending tax proceedings and other material litigations involving our Company and our Promoters is provided below:

### a) Litigations involving our Company

#### i) Cases filed against our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	-	-
Direct Tax matters	02	0.29
Indirect Tax matters	-	-
Actions taken by regulatory authorities	01	Not quantifiable
Material civil litigations	03	15.10

\*To the extent quantifiable

#### ii) Cases filed by our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	04	27.24
Direct Tax matters	-	-
Indirect Tax matters	-	-
Material civil litigations	03	15.55

\*To the extent quantifiable

#### b) Litigations against our Promoters

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	-	-
Direct Tax matters	-	-
Indirect Tax matters	-	-
Actions taken by regulatory authorities	01 <sup>#</sup>	Not quantifiable
Material civil litigations	01 <sup>#</sup>	Not quantifiable

\*To the extent quantifiable

<sup>#</sup>The case has been filed against Sumer Raj Lodha and Nirmala Lodha.

For further details, please refer the chapter titled “Outstanding Litigations and Material Developments” on page 272 of this Draft Red Herring Prospectus.

### 10. Risk Factors

Please see the chapter titled “Risk Factors” beginning on page 26 of this Draft Red Herring Prospectus.

### 11. Summary of Contingent Liabilities

Following are the details as per the Restated Financial Information as at and for the nine months period ended December 31, 2020 and for the Financial Year ended on March 31, 2020, 2019 and 2018:

Particulars	December 31, 2020	March 31, 2020	March 31, 2019	March 31, 2018
Bank Guarantee	77.30	76.82	68.81	65.52
Bond to Custom Authorities	103.16	103.16	103.16	103.16
Disputed Sales Tax	0.00	0.00	8.12	8.12
<b>Total</b>	<b>180.46</b>	<b>179.97</b>	<b>180.08</b>	<b>176.80</b>

For further details, please see the chapters titled “Restated Financial Information- Annexure - V: Significant Accounting Policies and Explanatory Notes to the Restated Financial Statements- Note 36- Contingent Liabilities” at page 205 of this Draft Red Herring Prospectus.

### 12. Summary of Related Party Transactions

Following are the details as per the Restated Consolidated Financial Information as at and for the nine months period ended December 31, 2020 and for the Financial Year ended on March 31, 2020, 2019 and 2018:

(₹ in lacs)						
S. No.	Nature of transaction	Year ended/Period ended	Associate	Key Managerial Personnel	Person with Interest by Key Managerial Personnel	Total
(i)	Rent	December 31, 2020	-	2.52	-	2.52
		March 31, 2020	-	3.36	-	3.36
		March 31, 2019	-	2.80	-	2.80
(ii)	Salary, allowances and bonus	December 31, 2020	-	105.96	9.00	114.97
		March 31, 2020	-	240.45	10.80	251.25
		March 31, 2019	-	237.74	10.80	248.54
		March 31, 2018	-	228.00	10.80	238.80



S. No.	Nature of transaction	Year ended/Period ended	Associate	Key Managerial Personnel	Person with Interest by Key Managerial Personnel	Total
(iii)	Interest Expense	December 31, 2020	-	-	-	-
		March 31, 2020	-	38.53	6.88	45.41
		March 31, 2019	-	-	6.98	6.98
		March 31, 2018	-	-	8.57	8.57
(iv)	Sale of goods	December 31, 2020	-	-	-	-
		March 31, 2020	-	-	-	-
		March 31, 2019	-	-	-	-
		March 31, 2018	1.87	-	-	1.87
(v)	Borrowings taken	December 31, 2020	-	114.50	-	114.50
		March 31, 2020	-	545.26	-	545.26
		March 31, 2019	-	40.19	-	40.19
		March 31, 2018	-	33.75	-	33.75
(vi)	Borrowings Repayment	December 31, 2020	-	50.77	-	50.77
		March 31, 2020	-	187.51	57.33	244.84
		March 31, 2019	-	31.74	7.53	39.27
		March 31, 2018	-	285.76	28.25	314.00

For further details, please see the chapters titled “*Restated Financial Information- Annexure - V: Significant Accounting Policies and Explanatory Notes to the Restated Financial Statements- Note 42- Related Party Disclosures*” at page 205 of this Draft Red Herring Prospectus.

### 13. Financials Arrangements

There are no financing arrangements whereby the Promoters, members of the Promoter Group, 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 the Draft Red Herring Prospectus.

### 14. Weighted Average Price of the Equity Shares acquired by our Promoters in the last one year preceding the date of this Draft Red Herring Prospectus

The details of the weighted average price of the Equity Shares acquired by our Promoters in the last one year preceding the date of this Draft Red Herring Prospectus is as follows:

Name of Promoters	No. of shares acquired in last one year from the date of this DRHP	Weighted Average Price (in ₹)
Sumer Raj Lodha	2,000	26.50
Nirmala Lodha	6,000	26.50
Abhishek Lodha	4,000	26.50

### 15. Average Cost of Acquisition of Shares for Promoters

The average cost of acquisition of Shares for the Promoters is as follows:

Name of Promoters	No. of shares held	Average Cost of Acquisition (in ₹)
Sumer Raj Lodha	4,04,6188	7.48
Nirmala Lodha	5,65,1101	4.26
Abhishek Lodha	2,640,214	6.16

### 16. Pre-IPO Placement

Our Company does not contemplate any issuance or placement of Equity Shares in this Issue.

**17. Issue of equity shares made in last one year for consideration other than cash**

Our Company has not issued Equity Shares in the last one year for consideration other than cash.

**18. Split or consolidation of Equity Shares in the last one year**

No split or consolidation of equity shares has been made in the last one year prior to filing of this Draft Red Herring Prospectus.

## SECTION II – RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.*

*To obtain a complete understanding, you should read this section in conjunction with the sections “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 113, 146 and 254 of this Draft Red Herring Prospectus, respectively. The industry-related information disclosed in this section that is not otherwise publicly available is derived from a report titled “Report on Indian Flexible Packaging Industry” released in June 2021 prepared by CARE Advisory Research & Training Limited (“CARE”). Neither our Company, nor any other person connected with the Issue, including the BRLM, has independently verified the information in the industry report or other publicly available information cited in this section.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled “Forward-Looking Statements” on page 19 of this Draft Red Herring Prospectus.*

*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Restated Financial Information, prepared in accordance with Ind AS and the Companies Act and restated in accordance with the SEBI ICDR Regulations.*

*Materiality:*

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

- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively; and*
- *Some events may not be material at present but may have a material impact in future.*

*The financial and other related implications of risks concerned, whether quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.*

*In this Draft Red Herring Prospectus, any discrepancies in any table between total and sums of the amount listed are due to rounding off.*

*In this section, unless the context requires otherwise, any reference to “we”, “us” or “our” refers to Uma Converter Limited.*

*The risk factors are classified as under for the sake of better clarity and increased understanding.*

## INTERNAL RISK FACTORS

### BUSINESS RELATED RISKS

- 1. The novel coronavirus (Covid-19) pandemic outbreak and steps taken to control the same have significantly impacted our business, results of operations, financial condition and cash flows and further impact will depend on future developments, which are highly uncertain.***

The rapid and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses, including the packaging industry in which our Company operates and from where it derives substantial revenues and profits. The COVID-19 pandemic could continue to have an impact that may worsen for an unknown period of time. In view of the onslaught of the second wave of the virus and the likelihood of a third wave, this pandemic may continue to cause unprecedented 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.

Further if in case due to any third or consequent wave of Coronavirus or surge in new and deadly variants of the Virus, if another lockdown is imposed in the country and further restrictions are imposed by the government, we may face huge losses and our business operations could be severely impacted. Any such restrictions could cause delays in the completion of our orders and commitments made to clients, or cause damage to the goods in transit. Any of these consequences may result in loss of business and/or claims for compensation from our clients, which may have an adverse effect on our results of operations and financial condition.

- 2. Our Company has adopted an integrated business model and our commercial success is largely dependent upon our ability to develop and design innovative packaging material suitable for the final finished product of our customers. Our inability to effectively utilize and manage our R&D and Design Divisions to develop and design innovative packaging products would impact our integrated business model, thereby affecting the utility of our products resultantly impacting our revenue and profitability.***

We are engaged in manufacturing flexible packaging material which is multi-functional and caters to the packaging requirements of various industries. Our integrated business model enables us to provide end to end capabilities from developing and devising the appropriate packaging material, designing the package based on the nature of the product and lastly manufacturing the final finished packaging material, thereby catering to all packaging related needs of our customers. Our ability to develop innovative packaging material which is compliant with the regulatory requirements and design product packaging suitable to the nature and application of the final product of our customers is highly dependent on effective functioning of our R&D Division and our Design Division. Since, we cater to manufacturers of various industries such as food and beverage industry, e-commerce industry, pharmaceutical industry, hygiene and personal care industry, household industry and agricultural industry, we need to continuously design and develop packaging material which is suitable for the products of each industry and is compliant with the regulatory requirements of domestic and international authorities. Furthermore, we intend to expand our customer base and product portfolio by catering to diverse industries domestically and internationally. In order to continuously improve our existing product portfolio and develop innovative and diverse applications in various industries, our R&D Division and Design Division would have to innovate and design resilient packaging material suitable for the robust packaging requirements of these industries. We might have to invest a large amount of our resources and funds in our R&D Division and Design Division to ensure that we continue to provide diverse application of our products to our customers and are able to meet their customized demands of our products. We might have to allocate a major portion of the revenue or profits earned by our Company towards upgradation and efficient functioning of our laboratories in our R&D Division and hiring qualified personnel in our design division, which may skew the resource allocation from other business activities, and possibly impacting our revenues and profitability.

In the event we are unable to effectively manage our R&D Division and Design Division or fail to integrate all the units and divisions in our business model, we might not be able to satisfy all the packaging requirements of our customers which may impact our customer base and our ability to retain and efficiently serve our customers. The inability of our R&D Division to develop innovative and multifarious packaging material for various industries could impede the growth of our product portfolio and our ability to function in diverse industries, thereby impacting our business operations and diverse customer base. If we fail to continue to provide integrated and complete packaging solutions, we might have to outsource services from

third parties to carry out functions of our business model and provide a complete packaging solution to our customers, which could result in increased costs in manufacturing our products, consequently forcing us to shift the burden of these costs to our customers, thereby affecting our cost competitiveness and financial condition. Therefore, the commercial success of our business is highly dependent on our ability to develop and design innovative products with diverse applications in various industries and provide an end to end packaging experience to our customers. Our failure to successfully develop and design innovative packaging material for new industries or find new applications for our existing products could adversely affect our business, prospects, results of operations and financial condition.

**3. *Our Company has recently set up an additional manufacturing unit which has a very limited history of our operations, which will make it difficult for the investors to evaluate our historical performance or future prospects.***

Our Company since its incorporation has been carrying on the business of manufacturing flexible packaging material. Our Company had commenced its business operations in 1999 from our manufacturing unit situated at Santej, Gujarat (“Unit – I”) and had set up our additional manufacturing unit in 2018 at Timba, Gujarat (“Unit – II”) to expand its manufacturing operations. Unit-II has been set up to manufacture packaging material in roll and pouch form having better suitability to food sector where the laminates are processed through solvent less process, thereby enabling our Company to expand its customer base. This manufacturing unit is also equipped to manufacture three-layer and five-layer co-extruded film and extrusion coating which is experiencing an increase in demand in the packaging industry and therefore is expected to provide a better profitability margin. Our Company foresees an increase in demand of its packaging products and in order to tap the growing market, we intend to utilize the Net Proceeds of this Issue to enhance the existing capacity of our Unit – II. For further details, please refer to the chapter titled “*Object of the Issue*” at page 93 of this Draft Red Herring Prospectus.

Our additional manufacturing unit was set up in 2018, therefore we have a limited operation history in the said unit, resultantly we may face difficulty and errors in evaluating factors such as historical performance, future prospects, capacity utilization, pliability of our customers towards the location of the unit, etc. Majority of the proceeds of this Issue would be utilized towards the expansion of our manufacturing facilities situated at Unit-II. We cannot assure you that our estimates and forecasts with respect to market trends, demand and supply patterns, historic and expected capacity utilization would be accurate. We also cannot assure you that the capacity proposed to be increased at our additional manufacturing unit would be adequately utilized and the proposed requirement of plant and machinery at our manufacturing unit would match with the actual requirement. In the event we are unable to react in an appropriate manner to the above mentioned events or face a situation wherein the actual costs for the proposed expansion of our manufacturing unit exceed the estimates made by us, it could materially affect our business operations and we might have to avail additional means of finance such as, secured loans from various lenders which could cause a deficit between the income and debt reported by our Company. In the event that we fail to understand the market operations and the risks related to the same, our business, financial performance and cash flows may be affected.

**4. *Our Company is reliant on the demand from the food and beverage industry for a significant portion of our revenue. Any downturn in the food and beverage industry or an inability to increase or effectively manage our sales could have an adverse impact on our Company’s business and results of operations.***

We manufacture packaging material suitable for packaging products manufactured in food and beverage industry, e-commerce industry, pharmaceutical industry, hygiene and personal care industry, household industry and agricultural industry. Our customers are mainly manufacturers functioning in the aforementioned industries. During the nine months period ended December 31, 2020 and March 31, 2020, March 31, 2019 and March 31, 2018, our Company supplied 94.48%, 95.71%, 96.66% and 98.23% respectively of finished packaging products to the food and beverage industry. Our revenues are highly dependent on our customers from the food and beverage industry and the loss of any of our customers from any industry which we cater to may adversely affect our sales and consequently on our business and results of operations.

Further, in the event, there takes place a shift of practice of developing packaging material in-house in the food and beverage industry or the other industries which we cater to, it may have an adverse impact on the demand for our products. The organised and unorganised packaging industry is fragmented and inherently competitive with several regional brands and retailers present in local markets across the country. In the

event, our customers substitute our products with that of our competitors due to difference in price or quality of the products, it may have an adverse impact on the demand for our products. Similarly, in the event our competitors who are larger than us or develop alliances to compete against us may be able to improve the efficiency of their manufacturing process or their distribution or raw materials sourcing process and thereby offer high quality products at lower price and our Company may be unable to adequately react to such developments which may affect our revenues and profitability. Furthermore, our competitors may be able to with-stand industry downturns better than us or provide customers with products at more competitive prices; thereby impacting our revenues and profitability adversely.

**5. *Our manufacturing units are subject to litigations filed by our Company or against our Company by third parties. Any adverse orders in these litigations may have an adverse impact on our continued operation, business and results of operations.***

Our Company carries out its business operations from two manufacturing units, situated at block number 868 and 871, near CNG Petrol Pump, Santej Road, Village - Santej, Taluka - Kalol, Gandhinagar- 382 721, Gujarat, India (“**Unit -I**”) and block number 291, 294, 295 and 296, Village Timba, Dascroi, Ahmedabad - 382 425, Gujarat, India (“**Unit-II**”). Our manufacturing units are subject to litigations filed by third parties against our Company or filed by our Company to further our claim over the property on which our manufacturing unit is situated, the details of which are provided herein.

A suit has been filed by our Company challenging the notice dated January 15, 2020 issued by the parties with whom an agreement for sale was executed for Unit-I of our Company. *Vide* this suit, our Company has prayed for grant of an injunction restraining illegal possession of the property on which Unit-I is situated and to pass a decree declaring our Company as the owner of the Suit Property by virtue of principle of “*law of adverse possession*”. Furthermore, a civil suit has been filed against our Company and our Promoters and Directors, Sumer Raj Lodha and Nirmala Lodha before the Hon’ble Civil Court, Mirzapur at Ahmedabad by third parties for alleged unauthorized encroachment upon a part of the land on which the Unit-II is situated and prayed for grant of an injunction restraining our Company from encroaching upon his land and carrying out construction on his land. An interim order dated October 18, 2019 has been passed in the said matter, partly allowing the injunction application filed by the Plaintiff on the condition that the status quo should be maintained in respect of the construction carried out by our Company on the land under dispute. For further details please refer to the chapter titled “*Outstanding Litigations and Material Developments*” at page 272 of this Draft Red Herring Prospectus.

The aforementioned suits are presently pending before the appropriate authorities and a final order has not been passed in the said matters. In the event, an adverse order is passed against us or if a third party is declared as the lawful owners of the land or a part of land on which our manufacturing units our situated, our business operations could materially be impacted. We rely exclusively on our manufacturing units for our continued business operations and to earn revenues, pay our operating expenses and service our debt obligations. Any significant interruption or loss or shutdown of operations at our manufacturing units would adversely affect our business. Further, if an adverse order is passed against us or if we are forced to shut down our manufacturing units for a significant period of time on account of being a part of a dispute, our earnings, financial condition and results of operation would be materially and adversely affected. Since, we do not have a diversified base of manufacturing operations, forced shutdown or halting of our manufacturing operations could have a material adverse effect on our business, and consequently on our operations and financial condition. We may also have to file an appeal against an order passed against us which could strain our resources and be time consuming and we cannot assure you that the outcome would be in our favour. Any adverse order in these proceedings could materially impact our business, results of operations and financial condition.

**6. *Our Company has in the past not complied with the certain provisions of the Companies Act, 1956 and Companies Act, 2013. Further, there have been instances of delays and non-filings of certain forms which were required to be filed as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 to RoC. Further, there have also been instances where our Company has inadvertently filed incorrect information with the RoC in its statutory filings.***

In the past, our Company has not complied with certain provisions of the Companies Act, 1956 and Companies Act, 2013 and the rules made therein, amended from time to time, as mentioned below.

- a. For the period starting March 30, 2001 until June 11, 2002, our Company failed to comply with Section 383 A of the Companies Act, 1956 and rules made therein which required our Company to appoint a whole-time company secretary;
- b. Our Company has availed unsecured loans from Sumer Raj Lodha (HUF), in which our Promoter and Managing Director, Sumer Raj Lodha is the karta. The unsecured loans availed from the Sumer Raj Lodha (HUF) fall under the definition of deposits under Companies (Acceptance of Deposits) Rules, 1975 and Companies (Acceptance of Deposits) Rules, 2014;
- c. Our Company has paid remuneration to our Executive Director, Nirmala Lodha and our Whole-time Director Abhishek Lodha during the financial year 2019-2021 in breach of limits prescribed for payment of remuneration in the event of inadequate profits under Section 197 and clause II (A) of Schedule V (Part II) of the Companies Act, 2013. In accordance with Section 197 (10) of the Companies Act, 2013, the Shareholders of our Company have waived the statutory requirement of refunding the excess amount of remuneration received by our Directors, by passing a special resolution in an extraordinary general meeting dated March 22, 2021.

Further, in the past, there have been certain instances of delays in filing statutory forms as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 with the RoC, which have been subsequently filed by payment of an additional fee as specified by RoC. There have also been instances wherein the disclosures made in the statutory filings done under Companies Act, 1956 and Companies Act, 2013 are incomplete or erroneous in nature, and revised filing for the same has not been done by our Company. Further, there have been instances of non-filings of statutory forms with RoC as per the reporting requirements laid down under the Companies Act 1956 and Companies Act, 2013 for instance, our Company failed to file Form 23 and Form MGT-14 for certain resolutions passed by our Board of Directors or Shareholders.

No show cause notice in respect to the above has been received by our Company till date and no penalty or fine has been imposed by any regulatory authority in respect to the same. It cannot be assured, that there will not be such instances in the future or our Company will not commit any further delays or defaults in relation to its reporting requirements, or any penalty or fine will not be imposed by any regulatory authority in respect to the same. The happening of such event may cause a material effect on our results of operations and financial position.

7. ***We have received a show cause notice from the Additional Director General of Foreign Trade alleging that our Company has failed to meet the export obligations under the Export Promotion Capital Goods scheme. Any adverse orders are passed against our Company may cause a material effect on our results of operations and financial position.***

A show-cause notice dated February 04, 2021 has been issued by the Additional Director General of Foreign Trade against our Company and our Promoters and Directors, Sumer Raj Lodha and Nirmala Lodha under Sections 11, 12, 13 and 14 of the Foreign Trade (Development & Regulation) Act, 1992 and the applicable provisions of the Foreign Trade (Regulation) Rules, 1993. The notice has alleged that our Company in accordance with its EPCG authorization had failed to *inter alia* (i) maintain annual average exports and complete the specific export obligations and (ii) submit the requisite documents under Foreign Trade Policy, handbook of procedures and EPCG authorization. Our Company has filed a reply dated March 09, 2021 with the office of Additional Director General of Foreign Trade denying the allegations mentioned in the show-cause notice on the grounds, *inter alia* that an extension for completing the export obligation was granted by the concerned authorities post which the said obligation was belatedly fulfilled. No further correspondence has taken place with the Additional Director General of Foreign Trade and the matter is currently pending before the said authority. In the event an adverse order is passed against our Company or the adverse conditions specified in the EPCG authorization are enforced against us, we may have to reimburse the amount we have saved on account of custom duty along with interest, which may affect our profits. Any adverse order in these proceedings could materially impact our business, results of operations and financial condition. For further details, please refer to the chapter titled “*Outstanding Litigation and Material Developments*” on page 272 of this Draft Red Herring Prospectus.

8. ***The commercial success of our products depends to a large extent on the success of the products of our end use customers. If the demand for the end use products in which our products are used as a raw materials declines, it could have a material adverse effect on our business, financial condition and results***

*of operations.*

The products manufactured and supplied by us are primarily utilized as packaging for the finished products manufactured in the food and beverage industry, e-commerce industry, pharmaceutical industry, hygiene and personal care industry, household industry and agricultural industry. Our customers are mainly manufacturers functioning in the aforementioned industries. Our key customers are well known brands in the food, beverage and household industry for manufacturing *inter alia* dairy products; biscuits, cakes and rusks; namkeens; frozen snacks and essential products such as tea, spices, rice etc. In the hygiene and personal care industry our key customers are leading manufacturers of inner wear and hair and skin care products. In the e-commerce industry, our Company manufactures and supplies packaging material in the form of e-commerce bags to renowned e-commerce retailers and suppliers for packaging their products for online or remote delivery. The flexible packaging products manufactured by us in roll form, pouch form and co-extruded films are used by our customers for packaging their final products. For further details, please refer to the chapter titled “*Our Business –Products*” at page 154 of this Draft Red Herring Prospectus.

The demand of our products is directly proportional to the demand of the products of our customers who use our products to package their final finished products. Therefore the commercial success of our business is highly dependent on the commercial viability, demand and success of the end use products of our customers. Any downturn in the demand of such products could have a direct impact on the demand of our products and our business operations. Any disturbance in the industry in which our customers supply their end use products could adversely impact our business due to our high dependence on our customers. A reduction in the demand, development and production activities in the industries in which the end use products of our customers are supplied to, may correspondingly cause a decline in the demand for our products due to a slump in the business activities of our customers. Alternatively, in the event our customers are able to manufacture packaging material in-house or if our customers are able to find a cheaper alternative for our products, it could conversely result in a reduction in the demand of our products and have a material adverse effect on our business, financial condition and results of operations.

We cannot assure you that we will be develop and innovate diverse applications of our products in various industries to diversify and bifurcate our business risk in a systematic manner and counter effect the failure of one industry to avoid an impact on our business operations. We also cannot assure you that we will be able to provide cost effective and quality products to our customers, which would deter them from approaching our competitors to substitute our products at lower prices. Our failure to effectively react to these situations or to successfully introduce new products or new applications for our existing products could adversely affect our business, prospects, results of operations and financial condition.

**9. *We depend on a few customers of our products, for a significant portion of our revenue, and any decrease in revenues or sales from any one of our key customers may adversely affect our business and results of operations.***

Our Company is engaged in the business of manufacturing flexible packaging material for manufacturers working in diverse industries. In the nine months period ended December 31, 2020, Fiscals 2020, 2019 and 2018, 72.80%, 70.45%, 69.21% and 60.08% respectively, of our revenue from operations were derived from our top five customers. As of March 31, 2020, based on management estimates, the revenue from food and beverage industry, e-commerce industry, pharmaceutical industry, hygiene and personal care industry, household industry and agricultural industry accounted for 95.71%, 2.45%, 0.12% and 1.72%, respectively of our revenues. Our business operations are highly dependent on our customers, especially from the pharmaceutical industry which we cater to and the loss of any of our customers from any industry which we cater to may adversely affect our sales and consequently on our business and results of operations.

While we typically have long term relationships with our customers, we have not entered into long terms agreements with our customers and the success of our business is accordingly significantly dependent on us maintaining good relationships with our customers and suppliers. The actual sales by our Company may differ from the estimates of our management due to the absence of long term agreements. The loss of one or more of these significant or key customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future.



Further, neither do we have any exclusive agents, dealers, distributors nor have we entered into any agreements with any of the market intermediaries for selling or marketing our products. If there occurs any change in the market conditions, requirements of our customers, or if we fail to identify and understand evolving industry trends, preferences or fail to meet our customers' demands, it might have a direct impact on our revenue and customer base. The inability to procure new orders on a regular basis or at all may adversely affect our business, revenues, cash flows and operations.

**10. We may face several risks associated with the proposed expansion of our manufacturing facilities, 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 enhancing the existing capacity of our manufacturing unit situated at Timba in Gujarat, by setting up additional facility. For further details, please refer to the chapter titled "*Object of the Issue*" at page 93 of this Draft Red Herring Prospectus.

During the process of setting up of an additional facility in our existing 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. Further, as a part of the expansion of facilities in our manufacturing unit, we intend to install machinery which are to be imported from various countries, the installation and the setting up of such machineries could require the aid and assistance of technicians. In view of the lockdown in certain states, onset of the third wave of COVID-19 and the international travel restrictions imposed by the Central Government, the technicians may face difficulties in travelling to India to install the machinery in our manufacturing unit. In view of the above, the commencement of the regular commercial production in our proposed manufacturing unit might suffer a delay and we may face time or cost overrun.

Any delay in setting up of our proposed facilities could lead to revenue loss for our Company. Further, our expansion plan may be subject to delays and other risks, which may be caused due to certain other unforeseen events, such as unforeseen engineering or technical problems, disputes with workers, unanticipated cost increases or changes in scope and delays in obtaining certain property rights and government approvals and consents. While we may seek to minimize the risks from any unanticipated events, it cannot be assured that all potential delays could be mitigated and that we will be able to prevent any cost and time over-runs and any loss of profits resulting from such delays, shortfalls and disruptions. Further, the budgeted cost may prove insufficient to meet the requirements of the proposed capital expenditure due to, among other things, cost escalation, which could drain our internal cash flows or compel us to raise additional capital, which may not be available on terms favorable to us or at all. We cannot assure that we will be able to complete the aforementioned expansion of our manufacturing units in accordance with the proposed schedule of implementation and any delay in setting up such plants in a timely manner, or at all, could have an adverse impact on our growth, prospects, cash flows and business and financial condition. Furthermore, the quotations for plant and machinery and civil works received by us from various suppliers and contractors might expire and we may be compelled to purchase the same at a higher cost. Our financial condition, results of operations and liquidity would be materially and adversely affected if our project or construction costs materially exceed such budgeted amounts. For further details, please refer to chapters titled — "*Objects of the Issue*" and "*Our Business*" on pages 93 and 146, respectively of this Draft Red Herring Prospectus.

**11. A part of the Issue proceeds will be utilized by our Company for repayment or prepayment of unsecured loans availed from our Promoters.**

One of the Objects of this Issue is to repay or pre pay the unsecured loans amounting to ₹ 300 lakhs availed by our Company from our Promoters, Sumer Raj Lodha, Nirmala Lodha and Abhishek Sumerraj Lodha. These unsecured loans have been utilized by our Company towards capital expenditure and working capital requirement. Out of the Issue proceeds, we intend to utilize ₹ 300 lakhs for repayment or pre-payment of unsecured loans availed by our Company from our Promoters. For further details, please see the chapter titled "*Objects of the Issue*" beginning on page 93 of this Draft Red Herring Prospectus.

**12. We cannot assure you that the proposed expansion of our manufacturing unit will become operational as**

***scheduled, or at all, or operate as efficiently as planned. If we are unable to commission our new facilities in a timely manner or without cost overruns, it may adversely affect our business, results of operations and financial condition.***

We intend to utilise a part of the proceeds of this Issue to expand our existing manufacturing unit situated at Timba at a total estimated cost of ₹ 2,309.61 lacs. We shall be utilising ₹ 2,175 lacs from the net proceeds of the Issue towards the proposed expansion and the remaining amount shall be funded through internal accruals. 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 delays in obtaining certain property rights and government approvals and consents. 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 facility 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 expansion of our manufacturing unit.

In the event of any delay in the schedule of implementation or if we are unable to complete the expansion 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 93 of this Draft Red Herring Prospectus.

***13. The cost estimates for the proposed expansion of our manufacturing unit situated at Timba have been derived from the Techno Economic Viability Report (“Appraisal Report”) issued by Care Advisory Research & Training Limited and may not be accurate.***

The estimated cost of the proposed expansion of our manufacturing unit situated at Timba will be approximately ₹ 2,309.61 lakhs. For ascertaining this cost reliance has been placed on the estimates, budgets and numerous assumptions provided in the Appraisal Report issued by Care Advisory Research & Training Limited, 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 93 of this Draft Red Herring Prospectus.

***14. Our Company is yet to place orders for 100% of the plant and machinery for the proposed expansion of our manufacturing unit situated at Timba. Any delay in placing orders or procurement of such plant and machinery may delay the schedule of implementation and possibly increase the cost of the proposed expansion of our manufacturing unit.***

Our Company has commissioned third party quotations and an Appraisal Report from Care Advisory Research & Training Limited for the proposed expansion of our manufacturing unit and the plant and machinery required to be installed in the said unit, for details please refer to the chapter titled “*Objects of the Issue*” on page 93 of this Draft Red Herring Prospectus. Although, we have identified the type of plant and machinery to be purchased for the proposed facility, we are yet to place order for 100% of the plant and machinery worth ₹ 1,600 lacs. The cost of the machineries (including civil work) is based on the quotations received from suppliers and such quotations are subject to change due to various factors such as, change in supplier of equipment, change in the government regulation and policies, change in management’s view of desirability of the current plans, possible cost overruns, etc. Since, we have not yet placed orders for 100% of our plant and machinery we cannot assure that we will be able to procure the same in a timely manner and at the same price at which the quotations have been received. Delay in procurement of the same can cause time and cost overrun in the implementation of our proposed expansion of the manufacturing units and can also compel us to buy such machineries at a higher price, thus causing the budgeted cost to vary. As a result our business, financial condition, results of operations and prospects could be materially and adversely affected.

**15. Any inability to pass on increased price of the key raw material, polymer, used for manufacturing our products may affect our profitability.**

The key raw material used for manufacturing our products is polymer which are used in the form of polyester, low-density polyethylene (“LDPE”), polyethylene terephthalate (“PET”), biaxially-oriented polypropylene (“BOPP”), polythene (“PE”), cast polypropylene (“CPP”) and metallized polyester film in our manufacturing process. Raw material consumed as a percentage of total revenue during the nine months period ended December 31, 2020 and March 31, 2020, March 31, 2019 and March 31, 2018 was 66.86%, 69.09%, 71.46% and 67.41%, respectively. We import as well as domestically source our raw materials from various suppliers. Further, any fluctuations in the demand and/or supply of polymers may impact its purchase price. In addition to above, the availability and price of our raw materials may be subject to a number of factors beyond our control, including economic factors, seasonal factors, environmental factors and changes in government policies and regulations, including those relating to the packaging industry in general. We have not entered into long term contracts with our suppliers and prices for raw materials are normally based on the quotes we receive from various suppliers. Since we have no formal arrangements with our suppliers, they are not contractually obligated to supply their products to us at reasonable prices and may choose to sell their products to our competitors. Non-availability or inadequate quantity of raw material could also impact the cost of polymers required by us for manufacturing our finished products.

We do not have an understanding or formal agreements executed with our customers, wherein we have mutually agreed to pass on any increase in the cost of raw materials to our customers. In the event, we are unable to account the increased cost of polymers in the cost of our products, our financial condition and result of operations would be severely impacted. We cannot assure you that we will always be able to meet our raw material requirements at prices acceptable to us, or at all, or that we will be able to pass on any increase in the cost of raw materials to our customers. Our inability to pass on the increased costs of polymers to our customers in future, may affect our profitability.

**16. We are subject to extensive government regulation with respect to the key raw materials used in our manufacturing process. A failure to comply with the relevant environmental regulations or any noncompliance with, or changes in, regulations applicable to us may adversely affect our business, results of operations, financial condition and cash flows.**

We are engaged in the business of manufacturing flexible packaging material which is multi-functional and caters to the packaging requirements of various industries. Our products are crafted out of an extensive range of industry approved materials such as polyethylene terephthalate, biaxially-oriented polypropylene, polythene, cast polypropylene, foil, paper, bio-degradable films, etc. Since, flexible packaging material predominantly consists of plastic as a major raw material, we are subject to extensive government regulations with respect to reusing, recycling and managing the plastic waste generated during our manufacturing process. We are required to obtain certain approvals and authorizations from the state pollution control board, local municipal authorities to carry out our business operations. We have availed the relevant licenses and approvals from these authorities; however we cannot assure you that we would be able to renew such licenses or effectively comply with the regulatory requirements applicable to us. For instance, as per the approval granted to our manufacturing units under the Plastic Waste Management Rules, 2016, our Company is required to work out modalities for waste collection system for collecting back the plastic waste generated due to our manufacturing activities in consultation with local authority/State Urban Development Department within a period of one (01) year from the date of such approval. As a result of non-compliance with, or changes in, the applicable regulations, we may incur increased costs, be subject to penalties, have our approvals and permits revoked, forced shutdowns or suffer a disruption in our operations or other sanctions imposed by the regulatory authorities.

Any adverse decisions or amendments made by the Government with respect to the industrial use of plastics in the applicable environmental policies, laws and regulations could result in controlled and regulated supply of the key raw materials required by us, and consequently increase our raw material costs. In the event, we experience an increase in our raw material costs, we would be forced to increase the cost of our products which could affect our cost competitiveness. As of date, we have not been able to find an alternative raw material for manufacturing our products and our continued business operations are highly dependent on the availability of our key raw materials. In the event, due to an increased awareness of plastic pollution and its staggering impact on our environment, the Central or State Governments might impose a complete or partial ban on the industrial usage of plastics or regulate the supply of plastics, resultantly we might be unable to

source the adequate quantity of raw material and could be forced to halt or permanently stop our business operations. On happening of such events, the continuity of our business operations, revenue, result of operations and financial condition might be adversely affected.

The adoption of stricter waste management and environmental laws, stricter interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require us to make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. The additional burden of being compliant with the applications laws could put a strain on our resources and could compel us to shift the burden to our customers by increasing the prices of our products. Monitoring legal developments and maintaining internal standards and controls in order to abide by rules and regulations applicable to us can be costly and may detract management's attention which could adversely affect our operations. Any failure to comply with these rules and regulations could materially and adversely affect our reputation and the imposition of any fines or penalties may materially and adversely affect our business, financial condition, results of operations and cash flows. For further details, please refer to the chapter titled — “Government and other Statutory Approvals” on page 279 of this Draft Red Herring Prospectus.

**17. We highly depend on our key raw material and a few key suppliers who help us procure the same. Our Company has not entered into long-term agreements with its suppliers for supply of raw materials. In the event we are unable to procure adequate amounts of raw materials, at competitive prices our business, results of operations and financial condition may be adversely affected.**

Our Company is engaged in the business of manufacturing flexible packaging material of various industries and polymers in the form of polyester, LDPE, PET, BOPP, PE, CPP and metallized polyester film are used as the primary raw materials during our manufacturing process. Therefore, we are highly dependent on these polymers and they form an important and primary component of our manufacturing process. Our top five suppliers accounted for 49.42%, 49.89%, 48.32% and 48.52% of our expenses towards the purchase of raw materials for the nine months period ended December 31, 2020, Fiscals 2020, 2019 and 2018, respectively. Thus, if we experience significant increase in demand, or need to replace an existing supplier, we cannot assure you that we will be able to meet such demand or find suitable substitutes, in a timely manner and at reasonable costs, or at all. Further, in view of the ongoing pandemic and the impending third wave of COVID-19, wherein partial or complete lockdown and various travel restrictions could be imposed in various countries, we may not be able to procure adequate amount of raw materials for our manufacturing units located in Gujarat.

As mentioned in the earlier risk factor, food and beverage industry constitutes major portion of our revenues. The products manufactured in the foods and beverage industries qualify as essential commodities, therefore generally their demand has not been deterred by the ongoing pandemic and the nationwide lockdown imposed by various governments. In view of the above, we will have to source adequate raw materials for all of our manufacturing units to cater to the consistent demand of our customers from this industry. Furthermore, in view of the lockdown and restrictions imposed by Central and State Government and the impending onset of third wave of Corona Virus, the demand for the products of the food and beverage industry is experiencing a sudden surge as the end use customers tend to accumulate essential items to avoid visiting the markets or prepare for supply restrictions imposed on certain products during lockdown. With the onset of the third wave of the Corona Virus and the tendency of the Governments to impose restrictions on market hours and operation of markets to limit the spread of the virus, the demand of our products is also likely to experience a rise. In the event, due to logistical glitches and restrictions on crossing state and country borders imposed by various governments, we are not be able to procure the required amount of raw materials, we might not be able to efficiently satisfy the demand of our customers. Even if we are able to procure the required amount of raw materials in the backdrop of the global pandemic, we cannot assure you that we will be able to do in a cost effective manner, which may impact our pricing and profitability.

We depend on a number of suppliers for procurement of raw materials required for manufacturing our products. In the nine months period ended December 31, 2020, Fiscals 2020, 2019 and 2018, our cost of raw material consumed amounted to 66.86%, 69.09%, 71.46% and 67.41%, of our total revenue respectively. Our Company maintains a list of registered and unregistered suppliers from whom we procure the materials on order basis as per our internal demand projections. We have not entered into long term contracts with our suppliers and prices for raw materials are normally based on the quotes we receive from various suppliers. Since we have no formal arrangements with our suppliers, they are not contractually obligated to supply their products to us and may choose to sell their products to our competitors. Non-availability or inadequate

quantity of raw material or use of substandard quality of the raw materials in the manufacture of our products, could have a material adverse effect on our business. Further, any discontinuation of production by these suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality and quantity could hamper our manufacturing schedule. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials to us. Further, we cannot assure you that our suppliers will continue to be associated with us on reasonable terms, or at all. Since our suppliers are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such suppliers, which may cause them to cater to our competitors alongside us.

Further, the amount of raw materials procured and the price, at which we procure such materials, may fluctuate from time to time. In addition, the availability and price of our raw materials may be subject to a number of factors beyond our control, including economic factors, seasonal factors, environmental factors and changes in government policies and regulations, including those relating to the packaging industry in general. We cannot assure you that we will always be able to meet our raw material requirements at prices acceptable to us, or at all, or that we will be able to pass on any increase in the cost of raw materials to our customers. Further, we also cannot assure you with a reasonable certainty that the raw materials that we would procure in the future will not be defective. In the absence of formal agreements, should we receive any defective raw materials, we may not be in a position to recover any advance payments made or claim compensation from our suppliers consequently increasing the manufacturing costs and/or reducing the realization of our finished products. Any inability on our part to procure sufficient quantities of raw materials, on commercially acceptable terms, may lead to a decline in our sales volumes and profit margins which could adversely affect our business, results of operations and financial condition.

***18. We conduct our business activities on a purchase order basis and therefore, have not entered into long-term agreements with our customers.***

Our Company is engaged in the business of manufacturing flexible packaging material for direct sale to manufacturers of various industries. We manufacture our products on the basis of orders which are received from our customers which generally contain the specifications as per which the packaging material has to be manufactured. We have not entered into any formal agreements, arrangement or any other understanding with our customers and therefore, our business is dependent upon the continuous relationship with the customers and the quality of our products. Further, neither do we have any exclusive agents, dealers, distributors nor have we entered into any agreements with any of the market intermediaries for selling or marketing our products. If there occurs any change in the market conditions, fashion trends, requirements of our customers, or if we fail to identify and understand evolving industry trends, preferences or fail to meet our customers' demands, it might have a direct impact on our revenue and customer base. The inability to procure new orders on a regular basis or at all may adversely affect our business, revenues, cash flows and operations.

***19. There are outstanding litigations involving our Company, Promoters and Directors which, if determined adversely, may affect our business and financial condition.***

As on the date of this Draft Red Herring Prospectus, our Company, Promoters and Directors are involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and/or severally from us and/or other parties, as the case may be. We cannot assure you that these legal proceedings will be decided in favour of our Company, Promoters and Directors or that no further liability will arise out of these proceedings. We may incur significant expenses in such legal proceedings and we may have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse decision may adversely affect our business, results of operations and financial condition.

A summary of the pending litigations involving our Company is provided below:

**c) Litigations involving our Company**

*iii) Cases filed against our Company:*

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved* (₹ in lakhs)</b>
Criminal matters	-	-
Direct Tax matters	02	0.29
Indirect Tax matters	-	-
Actions taken by regulatory authorities	01	Not quantifiable
Material civil litigations	03	15.10

*\*To the extent quantifiable*

iv) *Cases filed by our Company:*

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved* (₹ in lakhs)</b>
Criminal matters	04	27.24
Direct Tax matters	-	-
Indirect Tax matters	-	-
Material civil litigations	03	15.55

*\*To the extent quantifiable*

**d) Litigations against our Promoters**

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved* (₹ in lakhs)</b>
Criminal matters	-	-
Direct Tax matters	-	-
Indirect Tax matters	-	-
Actions taken by regulatory authorities	01 <sup>#</sup>	Not quantifiable
Material civil litigations	01 <sup>#</sup>	Not quantifiable

*\*To the extent quantifiable*

*#The case has been filed against Sumer Raj Lodha and Nirmala Lodha.*

For further details, please refer to the section titled “*Outstanding Litigation and Other Material Developments*” on page 272 of this Draft Red Herring Prospectus.

20. ***If our product development efforts do not succeed, we may not be able to improve our existing products and/or introduce new industry applications for our products, which could adversely affect our results of operations, growth and prospects. Further, if we are unable to anticipate and respond to changes in the market trends and changing customer preferences in a timely and effective manner, or if we fail to maintain our reputation or increase the market for our products, the demand for our products may decline.***

In order to remain competitive, we are required to review the performance of our existing products and the manufacturing process and take necessary actions to improve functionality and/or efficiency and also identify new applications for our existing products and new potential products, in compliance with applicable regulatory standards. To accomplish this, we commit substantial effort, funds and other resources towards our R&D Division. Our ongoing investments towards product and application development could result in higher costs without a corresponding increase in revenues. However, we cannot assure you that the product development initiatives taken by our Company would succeed or result in an improvement in either our existing products or manufacturing process which may affect our ability to compete with our competitors and have an adverse effect on our operations. Further, our product development initiatives with respect to developing new uses for existing products or new products may not result in the development of cost-effective or economically viable solutions, thereby affecting our operations, growth and prospects.

Our business is highly dependent on our ability to compete in the industry with the help of our R&D Division by devising innovative applications of our products. If we are unable to gauge the changing technology and demand in the industry and are unable to upgrade our product portfolio in line with the same it may have an adverse effect on our business operations. Our products have varied applications and are majorly used in the food and beverage industry, e-commerce industry, pharmaceutical industry, hygiene and personal care industry, household industry and agricultural industry. Since our products form a key raw material for manufacturing the end us products of our customers, we are expected to be apprised of the changing technologies and regulatory requirements. Therefore, results of our operations are dependent on our ability to anticipate, gauge and respond to such changes and devise new products or modify our existing products in lines with the changes in market trends as well as customer demands and preferences. If we are unable to

respond to the technological advancements or in the event our R&D Division is unable to upgrade our products periodically as per the prevalent market trends, or if we are unable to adapt to such changes by launching new products as per the demand, we may significantly lose our market position and existing customer base which may adversely affect our results of operations and financial condition.

Maintaining and enhancing our reputation is critical to our business and the competitiveness of our products. Many factors, some of which are beyond our control, are important for maintaining and enhancing our brand reputation and competitiveness of our products, including maintaining or improving customer satisfaction and increasing the popularity of our products. In particular, we launch new products, and if any of those products do not meet standards for quality the international and domestic quality standards or efficiently contribute to the end use products of our customers, our market standing, reputation and the sales of our products may have an adverse impact. If we fail to maintain our reputation, or increase the market for our products, or the quality of our products declines, our business and prospects may be adversely affected.

- 21. *If our Company is unable to continue being creative in our designs it may adversely affect our business, results of operations and prospects. We also face the risk of our designs getting copied and product being sold at lower prices in the market resulting in us losing out on premium pricing.***

Our Company follows an integrated business model wherein we provide all packaging solutions to our customers by researching and developing suitable packaging material, creating designs suitable to the nature of the product and manufacturing the final packaging material. Our results of operations depend upon continued demand of our products by our customers. Our Design Division holds knowledge of styles and innovations which is valuable to the development of our packaging material and marketing the end use products. Since we operate in a competitive industry where customers' purchases are highly subjective and sensitive to current trends along with creativity, keeping in with the latest design trends is one of the key attributes for success. For our Company to remain competitive in respect of appealing designs, our Design Division has to keep itself well informed and up-to date with the latest global design and marketing trends and more importantly understand the nature of the end use product and the requirement of the customers. If we are unable to anticipate consumer preferences or industry changes, or if we are unable to update our products on a timely basis, we may lose customers to our competitors, or may be forced to reduce our sales realization on products by having to offer them at a discount, thereby reducing our margins. Since, the designing and development of our products is a key aspect of our operations, we incur significant amount of expenses for the same and we cannot assure you that our current portfolio of designs and any products we launch, will be well received by our customers, or that we will be able to recover costs we incurred in designing while manufacturing such products. If the products that we launch are not as successful as we anticipate, our business, results of operations and prospects may be adversely affected.

Furthermore, we have not registered the designs created by our Design Division under the intellectual property laws, therefore we may not be able to adequately protect our designs against third party infringement. We face significant risk of our designs being passed off by our competitors as their own and being imitated with poor quality and sold at cheaper rates in the market. We may lose some of our key customers to such competitors who provide packaging material similar to us at lower prices and substandard quality. Any such activities may harm the reputation of our products, which could in turn adversely affect our business, results of operations, cash flows and financial condition.

- 22. *Our continued operations are critical to our business and any shutdown of our manufacturing unit may adversely affect our business, results of operations and financial condition.***

Our manufacturing units are located in Gujarat. As a result, any local social unrest, natural disaster or breakdown of services and utilities in these areas could have material adverse effect on the business, financial position and results of our operations. Our manufacturing units are subject to operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, performance below expected levels of efficiency, obsolescence, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities.

In the event, we are forced to shut down our manufacturing units for a prolonged period; it would adversely affect our earnings, our other results of operations and financial condition as a whole. Spiraling cost of living around our units may push our manpower costs in the upward direction, which may reduce our margin and cost competitiveness. For instance, due to the ongoing pandemic and the lockdown imposed by the Central Government and various state governments, we may be required to shut down all our manufacturing units

which may cause an adverse impact on our business operations, revenue, results of operations and financial conditions.

In addition to the above if any of our manufacturing units suffer losses as a result of any industrial accident, we may be forced to shut down our manufacturing units which could result in us being unable to meet with our commitments, which will have an adverse effect on our business, results of operation and financial condition. Further, any contravention of or non-compliance with the terms of various regulatory approvals applicable to our manufacturing units may also require us to cease or limit production until such non-compliance is remedied to the satisfaction of relevant regulatory authorities. We cannot assure you that we will not experience work disruptions in the future resulting from any dispute with our employees or other problems associated with our employees and the labor involved in our manufacturing units, which may hinder our regular operating activities and lead to disruptions in our operations, which could adversely affect our business, prospects, financial condition, cash flows and results of operations.

***23. Any failure in our quality control processes may adversely affect our business, results of operations and financial condition. We may face product liability claims and legal proceedings if the quality of our products does not meet our customers' expectations.***

Our products may contain certain quality issues or undetected errors, due to defects in manufacture of products or raw materials which are used in the products. We have implemented quality control processes for our raw materials and finished goods on the basis of internal and international quality standards. We are engaged in export operations as well and have to fulfill the quality conditions and processes prescribed by the international regulatory authorities. We have a separate Quality Division which carries out necessary tests and procedures on raw materials and finished products manufactured in our manufacturing units. However, we cannot assure you that our quality control processes or our product will pass the quality tests and inspections conducted by various international and domestic agencies as per their prescribed standards will not fail. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality control procedures, negligence and human error or otherwise, may damage our products and result in deficient products. It is imperative for us to meet the international quality standards set by our international customers and agencies as deviation from the same could cause them to reject our products and can also cause damage to our reputation, market standing and brand value.

In the event the quality of our products is sub-standard or our products suffer from defects and are returned by our customers due to quality complaints, we might be compelled to take back the sub-standard products and reimburse the cost paid by our customers. Such quality lapses could strain our longstanding relationship with our domestic and international customers and our reputation and brand image may suffer, which in turn may adversely affect our business, results of operations and financial condition. Our customers may lose faith in the quality of our products and could in turn refuse to further deal in our products, which may have a severe impact on our revenue and business operations. We also face the risk of legal proceedings and product liability claims being brought against us by our customers for defective products sold. We cannot assure you that we may not experience any material product liability losses in the future or that we may not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs.

***24. In the event our marketing initiatives do not yield intended results our business and results of operations may be adversely affected.***

We believe that the recognition and reputation of the quality of our products has contributed to the growth of our business. We intend to continue to enhance the outreach of our integrated business model and the quality of our products through the use of targeted marketing and public relations initiatives. In order to maintain and enhance such recognition and reputation, we may be required to invest significant resources towards marketing and brand building exercises, specifically with respect to new products or applications we launch or for geographic markets where we intend to expand our operations. For the Fiscals 2020, 2019 and 2018 our advertisement and sales promotion expenses were ₹ 0.87 lakhs, ₹ 0.81 lakhs and ₹ 0.82 lakhs, or 0.01 %, 0.01 % and 0.01%, of our revenue from operations (net), respectively, and it shall be our endeavour to increase this proportion in the future.

We incur advertising and marketing expenses to increase brand recall and capture additional demand, and in the event they do not yield their intended results, or we are required to incur additional expenditures than anticipated, our business and results of operations might be adversely affected.



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

We are exposed to payment delays and/or defaults by our customers. Our financial position and financial performance are dependent on the creditworthiness of our customers. As per our business network model, we supply our products directly to our customers without taking any advance payment or security deposit against the orders placed by them. Such delays in payments may require our Company to make a working capital investment. We cannot assure you that payments from all or any of our customers will be received in a timely manner or to that extent will be received at all. If a customer defaults in making its payments on an order on which our Company has devoted significant resources, or if an order in which our Company has invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our Company's results of operations and financial condition. For the nine months period ended December 31, 2020, Fiscals 2020, 2019 and 2018, our trade receivables were 20%, 16%, 14% and 20% respectively, out of which, debts amounting to ₹ 2410.2 lacs, ₹1425.67 lacs, ₹1705.76 lacs and ₹1831.95 lacs were outstanding for a period exceeding six months.

There is no guarantee on the timeliness of all or any part of our customers' payments and whether they will be able to fulfill their obligations, which may arise from their financial 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.

**26. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could adversely affect our business, results of operations and financial condition.**

We have experienced considerable growth over the past three years and we have expanded our operations and product portfolio. Our total revenue grew at a CAGR of 6.14% between Fiscals 2018 and 2020 and 51.66% between the nine months period ended December 2019 and December 2020, while our restated profit after tax grew at a CAGR of 106.68% between Fiscals 2018 and 2020 and 18.24% between the nine months period ended December 2019 and December 2020. We cannot assure you that our growth strategies will continue to be successful or that we will be able to continue to expand further, or at the same rate.

Our inability to execute our growth strategies in a timely manner or within budget estimates or our inability to meet the expectations of our customers and other stakeholders, could have an adverse effect on our business, results of operations and financial condition. Our future prospects will depend on our ability to grow our business and operations. The development of such future business could be affected by many factors, including general, political and economic conditions in India, government policies or strategies in respect of specific industries, prevailing interest rates and price of equipment and raw materials. Further, in order to manage our growth effectively, we must implement, upgrade and improve our operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our customers' needs, hire and retain new employees or operate our business effectively. Failure to manage growth effectively could adversely affect our business and results of operations.

**27. Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations.**

Our business requires a significant amount of working capital. As per our settled business terms, we require our customers to pay the full amount of the consideration only after they receive the order, as a result, significant amounts of our working capital are often required to finance the purchase of raw material and execution of manufacturing processes before payment is received from our customers. Further, we are also required to meet the increasing demand and for achieving the same, adequate stocks are required to be maintained which requires sufficient working capital. In the event, we are unable to source the required amount of working capital for addressing such increased demand of our products, we might not be able to efficiently satisfy the demand of our customers. Even if we are able to source the required amount of funds, we cannot assure you that such funds would be sufficient to meet our cost estimates and that any increase in the expenses will not affect the price of our products.

Any delay in processing our payments by our customers may increase our working capital requirement. Further, if a customer defaults in making payments for a product on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. We may file a claim for compensation of the loss that we incurred pursuant to such defaults but settlement of disputes generally takes time and financial and other resources, and the outcome is often uncertain. In general, we make provisions for bad debts, including those arising from such defaults based primarily age of the debt and other factors such as special circumstances relating to special customers. There can be no assurance that such payments will be remitted by our clients to us on a timely basis or that we will be able to effectively manage the level of bad debt arising from defaults. We may also have large cash outflows, including among others, losses resulting from environmental liabilities, litigation costs, adverse political conditions, foreign exchange risks and liability claims.

All of these factors may result, in increase in the amount of receivables and short-term borrowings. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

**28. *If our Company is unable to protect its intellectual property, or if our Company infringes on the intellectual property rights of others, our business may be adversely affected.***

Our current name and logo, is not owned or registered as a trade name or trademark by our Company under the provisions of the Trademarks Act, 1999 and therefore may be subject to counterfeiting or imitation which would adversely impact our reputation and lead to loss of customer confidence, reduced sales and higher administrative costs. Further, our Company does not enjoy the statutory protections accorded to a registered trademark. There can be no assurance that we will be able to register the trademark and the logo or that, third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. If any of our unregistered trademarks or proprietary rights are registered by a third party, we may not be able to make use of such trademark or proprietary rights in connection with our business and consequently, we may be unable to capitalize on the brand recognition associated with our Company. We can neither assure you that we would be successful in such a challenge nor guarantee that eventually our name and logo would be registered in our name under the provisions of the Trademarks Act, 1999. As a result, we may not be able to prevent acts of counterfeiting or imitation of our name and logo and a passing off action might not provide sufficient protection until such time that registration is granted.

We are also exposed to the risk that other entities may pass off their products as ours by imitating our brand name and attempting to create counterfeit products. We believe that there may be other companies or vendors which operate in the unorganized segment using our brand names. Any such activities may harm the reputation of our brand and sales of our products, which could in turn adversely affect our financial performance. We rely on protections available under Indian law, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving, and could involve substantial risks to us. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition.

Furthermore, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming, continuous supply of raw materials or to deliver our costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect its intellectual property, which might adversely affect our business, results of operations and financial condition.

**29. *We are dependent on information technology systems in carrying out our business activities and it forms an integral part of our business. Further, if we are unable to adapt to technological changes and successfully implement new technologies or if we face failure of our information technology systems, we may not be able to compete effectively which may result in higher costs and would adversely affect our***

***business and results of operations.***

We are dependent on information technology system in connection with carrying out our business activities and such systems form an integral part of our business. Any failure of our information technology systems could result in business interruptions, including the loss of our customers, loss of reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition and results of operations. Additionally, our information technology systems, specifically our software may be vulnerable to computer viruses, piracy, hacking or similar disruptive problems. Computer viruses or problems caused by third parties could lead to disruptions in our business activities. Fixing such problems caused by computer viruses or security breaches may require interruptions, delays or temporary suspension of our business activities, which could adversely affect our operations. Breaches of our information technology systems may result in unauthorized access to confidential information. Such breaches of our information technology systems may require us to incur further expenditure to put in place advanced security systems to prevent any unauthorized access to our networks.

Our future success depends on our ability to respond to technological advancements and emerging standards and practices on a cost-effective and a timely basis. Our failure to successfully adopt such technologies in a cost-effective manner could increase our costs thereby compelling us to bid at lower margins which might lead to loss of bidding opportunities vis-à-vis such competitors. Additionally, the government authorities may require adherence with certain technologies and we cannot assure you that we would be able to implement such technologies in a timely manner or at all. The cost of upgrading or implementing new technologies or upgrading our existing equipment or expanding our capacity could be significant, less cost effective and therefore could negatively impact our profitability, results of operations, financial condition as well as our future prospects.

**30. *Certain records and regulatory filings of our Company and certain bank statements of our Promoters are not traceable.***

Our Company does not have access to certain filings pertaining to certain historical secretarial information as disclosed in this Draft Red Herring Prospectus. The statutory filings include, requisite filings required to be made with the RoC such as *inter alia* (i) Form 23 AC and Form 23 ACA for Fiscals 2001 and 2003; (ii) Form 23 filed sine incorporation until 2005; and (iii) Form 23B filed since incorporation until 2013. Our Company is also unable to trace bank statements of our Promoters for certain share transfers made or received by them during the year 2000 until 2013. We have relied on share transfer forms and statutory registers maintained by our Company to verify the validity of such share transfers. For further details, please refer to the chapter titled “*Capital Structure*” at page 76 of this Draft Red Herring Prospectus.

Accordingly, we have relied on other documents, including annual returns, directors’ report, the statutory register of members of the Company, minutes of the meetings of the Board of Directors and Shareholders. While we believe that the forms were duly filed on a timely basis, we have not been able to obtain copies of these documents from the Registrar of Companies, or otherwise, which has been certified by M/s. B. Kumar Tank & Associates, Company Secretary in Practice *vide* his search report dated June 28, 2021. We cannot assure you that these form filings will be available in the future or that we will not be subject to any penalties imposed by the relevant regulatory authority in this respect.

**31. *Our Group Company, Shri Uma Plastic Industries Private Limited has incurred losses in the past. Continuous financial losses by our Group Companies may be perceived adversely by external parties such as clients and bankers, which may affect our reputation, business, financial condition and results of operation.***

Our Group Company, Shri Uma Plastic Industries Private Limited has incurred losses in the past, details of which are as under:

	(₹ in lakhs)
<b>Particulars</b>	<b>March 31, 2019</b>
Profit/ (Loss) after Tax	(23.72)

There can be no assurance that our Group Company, would not incur losses in any future periods, or that there may not be an adverse effect on our reputation or business as a result of such losses. Such losses incurred by our Group Company may be perceived adversely by external parties such as customers, bankers, and suppliers, which may affect our reputation.

- 32. *Our manufacturing units, warehouses, branch office and all our facilities are currently located in one geographical area. The loss of, or shutdown of, our operations at this manufacturing or any disruption in the operation of our warehouses will adversely affect our business, financial condition and results of operations.***

Our manufacturing units, warehouses, branch office and all our manufacturing facilities are located in Gujarat. Any significant disruption, including social, political or economic factors or natural calamities or civil disruptions, impacting state of Gujarat may adversely affect our business operations. Any failure of our systems or any shutdown of any of our manufacturing units and facilities for any reason could result in significant increase of costs and delays in execution of orders. We do not have a diversified base of manufacturing operations, and local disturbances which would have a material adverse effect on our business, and consequently on our operations and financial condition. Further, our warehouses are subject to operating risks, such as performance below expected levels of efficiency, labour disputes, natural disasters, industrial accidents and statutory and regulatory restrictions. Any disruption of operations of our warehouses could result in delayed delivery of our product, which in turn may lead to disputes and legal proceedings with them on account of any losses suffered by them or any interruption of their business operations due to such delay or defect. While our strategic objectives include geographical expansion across India, in the event that we are unable to make available our products in a prompt manner and within the requisite timelines our business, financial condition and prospects may be adversely affected.

- 33. *We may be unable to grow our business in additional geographic regions or international markets, which may adversely affect our business prospects and results of operations.***

Our Company seeks to grow its market reach domestically as well as internationally to explore untapped markets and segments; however, we cannot assure you that we will be able to grow our business as planned. Infrastructure and logistical challenges in addition to the advancement of research and development in the packaging industry, changing customers' taste and preferences may prevent us from expanding our presence or increasing the penetration of our products. Further, customers may be price conscious and we may be unable to compete effectively with the products of our competitors. If we are unable to grow our business in these new markets effectively, our business prospects, results of operations and financial condition may be adversely affected.

Further, expansion into new international markets is important to our long-term prospects. Competing successfully in international markets requires additional management attention and resources to tailor our services to the unique aspects of each new country. We may face various risks, including legal and regulatory restrictions, increased advertising and brand building expenditure, challenges caused by distance, language and cultural differences, in addition to our limited experience with such markets and currency exchange rate fluctuations. International markets require a very high standard of quality of products and our Company may not be able to match the international standards thereby failing to make a brand presence in the international markets. If we are unable to make long-lasting relations with the major customers in the overseas market or if we are unable to justify the quality of our products to them, it may make it difficult for us to enter into such markets. These and other risks, which we do not foresee at present, could adversely affect any international expansion or growth, which could have an adverse effect on our business, results of operations and financial condition.

- 34. *We do not own certain premises used by our Company. Disruption of our rights as licensee/ lessee or termination of the agreements with our licensors/ lessors would adversely impact our manufacturing operations and, consequently, our business.***

As on the date of this Draft Red Herring Prospectus, our branch office and guesthouse have been taken on lease by our Company from related parties or third parties. For details, please refer to the chapter titled "*Our Business- Land and Property*" on page 161 of this Draft Red Herring Prospectus.

There can also be no assurance that our Company will be able to renew the lease agreements or deeds entered into with third parties in a timely manner or at all. Further, there can be no assurance that we will not face any disruption of our rights as a lessee/ licensee and that such lease and license and lease agreements will not be terminated prematurely by the licensor/lessor. Any such non-renewal or early termination or any disruption of our rights as lessee / licensee will adversely affect our business operations.

**35. *Our inability to receive or renew the necessary licenses, approvals and registrations in a timely manner or at all may lead to interruption of our Company's operations.***

We require certain statutory and regulatory approvals, licenses, registrations and permissions to operate our manufacturing units, some of which have been granted for a fixed period of time and need to be renewed from time to time. As of date of this Draft Red Herring Prospectus, there are no pending proceedings, which have been initiated against us by the statutory authorities. We cannot assure you that in the near future there will not be any legal actions taken against us for the same.

Our Company has applied for the material license and approval for the expansion of our production facilities situated at Timba, however we are yet to apply for the revised consent to establish for the said expansion, which will be applied for at a later date. We cannot assure you that the relevant authorities will approve and provide us with such licenses, approvals and registrations for our manufacturing unit or will renew such licenses, approvals and registrations, or if renewed would do so in a timely manner. Further, these licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant licenses, approvals and registrations. Failure by our Company to renew, maintain or obtain the required licenses or approvals, or cancellation, suspension, or revocation of any of the licenses, approvals and registrations may result in the interruption of our Company's operations and may adversely affect our business. For further details on the licenses obtained by our Company, please refer to the chapter titled — “Government and Other Approvals” on page 279 of this Draft Red Herring Prospectus.

**36. *We are dependent on third party transportation providers for delivery of raw materials to us from our suppliers and delivery of our finished products to our customers. We have not entered into any formal contracts with our transport providers and any failure on part of such service providers to meet their obligations could adversely affect our business, financial condition and results of operation.***

To ensure smooth functioning of our manufacturing operations, we need to maintain continuous supply and transportation of the raw materials required from the supplier to our manufacturing units or warehouses and transportation of our finished products from our units or warehouses to our customers, which may be subject to various uncertainties and risks. We are significantly dependent on third party transportation providers for the delivery of raw materials to us and delivery of our finished products to our customers. Uncertainties and risks such as transportation strikes or delay in supply of raw materials and products could have an adverse effect on our supplies and deliveries to and from our customers and suppliers. Additionally, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. A failure to maintain a continuous supply of raw materials or to deliver our products to our distribution intermediaries in a timely, efficient and reliable manner could adversely affect our business, results of operations and financial condition.

Further, we have not entered into any long term agreements with our transporters for any of our manufacturing units and the costs of transportation are generally based on mutual terms and the prevailing market price. In the absence of such agreements, we cannot assure that the transport agencies would fulfill their obligations or would not commit a breach of the understanding with us. In the event that the finished goods or raw materials suffer damage or are lost during transit, we may not be able to prosecute the agencies due to lack of formal agreements. Further, the transport agencies are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms or prices, which may cause them to cater to our competitors alongside us or on a priority basis, which could adversely affect our business, results of operations and financial condition.

**37. *Our Company does not have any documentary evidence for the education qualifications of some of our Directors and Promoters.***

Our Executive Director and Promoter, Nirmala Lodha and Independent Director, Pradeep Randhirmal Lodha are unable to trace documents evidencing their educational qualifications. Due to lack of documents and relevant information from the aforementioned Directors, we have not disclosed details of their educational qualifications in their biographies in the chapter titled “Our Management” as required under the SEBI ICDR Regulations. For further details, please refer to the chapter titled “Our Management” on page 179 of this Draft Red Herring Prospectus.

**38. *If we are unable to identify customer demand accurately and maintain an optimal level of inventory proportionately, our business, results of operations and financial condition may be adversely affected.***

The success of our business depends upon our ability to anticipate and forecast customer demand and trends. Any error in such identification could result in either surplus stock, which we may not be able to sell in a timely manner, or no stock at all, or under stocking, which will affect our ability to meet customer demand. We plan our inventory and estimate our sales based on the forecast, demand and requirements for our products based on past data. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively by readily making our products available to our customers. Ensuring continuous availability of our products requires prompt turnaround time and a high level of coordination across raw material procurement, manufacturers, suppliers, warehouse management and departmental coordination. While we aim to avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale. If we over-stock inventory, our capital requirements may increase and we may incur additional financing costs. Any unsold inventory would have to be sold at a discount, leading to losses. We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations and financial condition. If we under-stock inventory, our ability to meet customer demand may be adversely affected.

**39. *We have significant power and water requirements for continuous running of our factories. Any disruption to our operations on account of interruption in power and water supply or any irregular or significant hike in power tariffs may have an effect on our business, results of operations and financial condition.***

All our manufacturing units have significant electricity and water requirements and any interruption in the supply of water or power may temporarily disrupt our operations. All our manufacturing unit receive power supply from Uttar Gujarat Vij Company Limited. We also maintain diesel generator sets at both our manufacturing units, as a precaution against any disruption in power supply. We have also received registrations from Gujarat Agency Development Agency for setting up rooftop solar system of 240 Kw AC at our manufacturing unit situated at Santej and 74.37-Kw DC at our manufacturing unit situated at Timba. We are in the process of setting up rooftop solar systems in both our manufacturing units to reduce our dependence on non-renewable energy resources. Our manufacturing units receive water supply from the regional municipal corporation for carrying out day-to-day operations.

Since, we have a high power consumption, any unexpected or unforeseen increase in the tariff rates can increase the operating cost of our manufacturing unit and thereby cause an increase in the production cost which we may not be able to pass on to our customers. Water is one of the main components of our manufacturing unit, therefore continuous water supply is essential for smooth business operations of our Company. There are limited number of electricity providers in the areas from where we operate due to which in case of a price hike, we may not be able to find a cost-effective substitute, which may negatively affect our business, financial condition, cash flows and results of operations. For further details, please refer to the chapter titled “*Our Business- Utilities*” on page 158 of this Draft Red Herring Prospectus.

**40. *We operate in a competitive business environment and our inability to compete effectively may adversely affect our business, results of operations, financial condition and cash flows.***

The packaging industry in India is competitive with both organized and unorganized markets. However, we are required to compete both in the domestic and international markets. We may be unable to compete with the prices and products offered by our competitors (local as well as international). We may have to compete with new players in India and abroad who enter the market and are able to offer competing products. Our competitors may have access to greater financial, manufacturing, research and development, design, marketing, distribution and other resources and more experience in obtaining the relevant regulatory approvals. Increasing competition may result in pricing pressures and decreasing profit margins or loss of market share or failure to improve our market position, any of which could substantially harm our business and results of operations. We cannot assure you that we will be able to compete with our existing as well as future competitors as well as the products prices and payment terms offered by them. In addition, our customers may enter into contract manufacturing arrangements with third parties, for products that they are presently purchasing from us. Our failure to successfully face existing and future competition may have an adverse impact on our business, growth and development.

Further, some of our competitors may be larger than we are and may have greater resources, market presence, geographic reach and the ability to products with better brand recognition than ours. Some of our competitors may be able to procure raw materials at lower costs than us, and consequently be able to sell their products at lower prices. As a result, our competitors may be able to withstand industry downturns better than us or provide customers with products at more competitive prices. Some of our international competitors may be able to capitalize on their overseas experience to compete in the Indian market. Consequently, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition. We cannot assure you that we will be able to maintain our existing market share. Our competitors may significantly increase their marketing expenses to promote their brands and products, which may require us to similarly increase our advertising and marketing expenses and engage in effective pricing strategies, which we may not be able to pass on to our customers which in turn may have an adverse effect on our business, results of operations and financial condition. For further details, please see “*Industry Overview*” on page 113 of this Draft Red Herring Prospectus.

**41. *Any conflict of interest which may occur between our business and any other similar business activities pursued by our Promoters, Promoter Group entity and our Group Company could have a material adverse effect on our business and results of operations.***

As of the date of this Draft Red Herring Prospectus, our Group Company, Shri Uma Plastic Industries Private Limited and our Promoter Group entity, Nirmi Flexipack Private Limited in which our Promoters, Sumer Raj Lodha and Nirmala Lodha are promoters and directors are engaged in business activities similar to our business, thereby causing a conflict of interest between our Company, our Promoters, Promoter Group entity and Group Company. We have not entered into a non-compete arrangement with them to address such conflicts. We cannot assure you that a conflict will not arise, or that we will be able to suitably resolve any such conflict without an adverse effect on our business or operations.

**42. *Our Promoters, Directors and Key Managerial Personnel have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.***

Our Promoters, Directors and Key Managerial Personnel, may be deemed to be interested in our Company, in addition to the regular remuneration or benefits, reimbursements of expenses, Equity Shares held by them or their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company. Our Promoters, Sumer Raj Lodha is the Managing Director, Abhishek Sumerraj Lodha is the Whole-time Director and Nirmala Lodha is an Executive Director of our Company and therefore may be deemed to be interested in any remuneration which may be payable to them in such capacity. Our Promoters, Director and Key Managerial Personnel may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners. For further details please refer to the paragraph titled — “*Land and Property*” in the chapter titled — “*Our Business*”, the paragraphs titled — “*Interest of our Directors*” in the chapter titled — “*Our Management*”, the paragraphs titled — “*Interest of our Promoter and Other Interests and Disclosures*” in the chapter titled — “*Our Promoter and Promoter Group*”, “*Financial Indebtedness*” and “*Restated Financial Information- Annexure - V: Significant Accounting Policies and Explanatory Notes to the Restated Financial Statements- Note 42- Related Party Disclosures*” on pages 161, 184, 197, 268 and 205, respectively of this Draft Red Herring Prospectus.

There can be no assurance that our Promoters, Directors, Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters and members of our Promoter Group will continue to exercise significant control over our Company, 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 our Company or that of minority shareholders.

**43. *Our Promoters have extended personal guarantees with respect to loan facilities availed by our Company. Further, our Promoters have provided their property as collateral security for loan facilities availed by our Company. Revocation of any or all of these personal guarantees or withdrawal of such property may adversely affect our business operations and financial condition.***

Our Promoters, Sumer Raj Lodha, Nirmala Lodha and Abhishek Sumerraj Lodha have extended personal guarantees in favour of certain banks with respect to the loan facilities availed by our Company from them. Further, Sumer Raj Lodha and Nirmala Lodha have provided their personal properties as collateral security for the loans availed by our Company.

In the event any of these guarantees are revoked or the properties provided as collateral security are withdrawn, our lenders may require us to furnish alternate guarantees or an additional security or may demand a repayment of the outstanding amounts under the said facilities sanctioned or may even terminate the facilities sanctioned to us. There can be no assurance that our Company will be able to arrange such alternative guarantees or provide an alternate collateral security in a timely manner or at all. If our lenders enforce these restrictive covenants or exercise their options under the relevant debt financing agreements, our operations and use of assets may be significantly hampered and lenders may demand the payment of the entire outstanding amount and this in turn may also affect our further borrowing abilities thereby adversely affecting our business and operations. For further details, please refer to the chapter titled — “*Financial Indebtedness*” on page 268 of this Draft Red Herring Prospectus.

**44. *Our Promoters and members of the Promoter Group have significant control over the Company and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.***

Upon completion of this Issue, our Promoters and members of our Promoter Group will collectively hold [●]% of the Equity share capital of our Company. As a result, our Promoters will have the ability to exercise significant influence over all matters requiring shareholders’ approval. Accordingly, our Promoters will continue to retain significant control, including being able to control the composition of our Board of Directors, determine decisions requiring simple or special majority voting of shareholders, undertaking sale of all or substantially all of our assets, timing and distribution of dividends and termination of appointment of our officers, and our other shareholders may be unable to affect the outcome of such voting. There can be no assurance that our Promoters will exercise their rights as shareholders to the benefit and best interests of our Company. Further, such control could 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 making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company’s best interest. The interests of our Promoters could conflict with the interests of our other equity shareholders, and our Promoters could make decisions that materially and adversely affect your investment in the Equity Shares.

**45. *The average cost of acquisition of Equity Shares held by our Promoters could be lower than the Issue Price.***

Our Promoters’ average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price which is proposed to be determined through a Book Building Process. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapter titled “*Capital Structure*” on page 76 of this Draft Red Herring Prospectus.

**46. *Our future fund requirements, in the form of further issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the Shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the existing Shareholders and such issuance may be done on terms and conditions, which may not be favorable to the then existing Shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

**47. *We have certain contingent liabilities and our financial condition and profitability may be adversely affected if any of these contingent liabilities materialize.***



As of December 31, 2020, our contingent liabilities and commitments (to the extent not provided for) as disclosed in the notes to our Restated Financial Information aggregated to ₹ 180.46 lacs. The details of our contingent liabilities are as follows:

(₹ in lacs)	
Particulars	Amount
Bank Guarantee	77.30
Bond to Custom Authorities	103.16
Disputed Sales Tax	0.00
<b>Total</b>	<b>180.46</b>

For further details of contingent liability, see the section titled — “*Financial Information*” on page 205 of this Draft Red Herring Prospectus. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

**48. *We have in past entered into related party transactions and we may continue to do so in the future.***

As of December 31, 2020, we have entered into several related party transactions with our Promoters, individuals and entities forming a part of our promoter group relating to our operations. In addition, we have in the past also entered into transactions with other related parties. For further details, please refer to the chapter titled — “*Restated Financial Information- Annexure - V: Significant Accounting Policies and Explanatory Notes to the Restated Financial Statements- Note 42- Related Party Disclosures*” at page 205.

While we believe that all our related party transactions have been conducted on an arm’s length basis, we cannot assure you that we may not have achieved more favorable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

**49. *Our agreements with lenders for financial arrangements contain restrictive covenants for certain activities and if we are unable to get their approval, it might restrict our scope of activities and impede our growth plans.***

We have entered into agreements for our borrowings with certain lenders. These borrowings include secured fund based and non-fund based facilities. These agreements include restrictive covenants which mandate certain restrictions in terms of our business operations such as change in capital structure, formulation of any scheme of amalgamation or reconstruction, declaring dividends, further expansion of business, granting loans to directors, repaying unsecured loans from third parties, undertake guarantee obligations on behalf of any other borrower, which require our Company to obtain prior approval of the lenders for any of the above activities. We cannot assure you that our lenders will provide us with these approvals in the future. For details of these restrictive covenants, please refer to chapter titled — “*Financial Indebtedness*” on page 268 of this Draft Red Herring Prospectus.

Further, some of our financing arrangements include covenants to maintain our total outside liabilities and total net worth up to a certain limit and certain other liquidity ratios. We cannot assure prospective investors that such covenants will not hinder our business development and growth in the future. A default under one of these financing agreements may also result in cross-defaults under other financing agreements and result in the outstanding amounts under such financing agreements becoming due and payable immediately. Defaults under one or more of our Company’s financing agreements may limit our flexibility in operating our business, which could have an adverse effect on our cash flows, business, results of operations and financial condition.

It may be possible for a lender to assert that we have not complied with all applicable terms under our existing financing documents. Further we cannot assure that we will have adequate funds at all times to repay these credit facilities and may also be subject to demands for the payment of penal interest.

**50. *Our Company has availed certain unsecured loans from our Promoters and third parties, which are recallable in nature.***

As on December 31, 2020, our Company has outstanding current unsecured loans aggregating to ₹ 693.67 lakhs, which have been extended by our Promoters and third parties which may be recalled at any time. We

cannot assure you that our lenders would not demand repayment of unsecured loans extended to us. In the event, our lenders seek repayment of any these loans, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to arrange for any such financing arrangements, we may not have adequate working capital to carry out the operations or complete our ongoing operations. Therefore, any such demand may adversely affect our business, financial condition and results of operations. For further details, see “*Financial Indebtedness*” on page 268 of this Draft Red Herring Prospectus.

**51. *In addition to our existing indebtedness for our existing operations, we may incur further indebtedness during the course of business. We cannot assure that we would be able to service our existing and/or additional indebtedness.***

As on December 31, 2020 our Company’s total fund based indebtedness is ₹ 5,736.38 lacs. In addition to the indebtedness for our existing operations, we may incur further indebtedness during the course of our business. We cannot assure you that we will be able to obtain further loans at favorable terms. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to borrow at competitive rates. In addition, 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 our working capital requirements, which may lead to delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cash flows.

Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company, could trigger cross default provisions, penalties, acceleration of repayment of amounts due under such facilities which may cause an adverse effect on our business, financial condition and results of operations. For details of our indebtedness, please refer to the chapter titled — “*Financial Indebtedness*” on page 268 of this Draft Red Herring Prospectus.

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

As on date, we have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. We meet our capital requirements through our bank finance, unsecured loans, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled “*Objects of the Issue*” beginning on page 93 of this Draft Red Herring Prospectus.

**53. *Our success largely depends upon the knowledge and experience of our Promoters, Directors and our Key Managerial Personnel. Loss of any of our Directors and key managerial personnel or our ability to attract and retain them could adversely affect our business, operations and financial condition.***

The growth and success of our Company’s future significantly depends upon the experience of our Promoters and continued services and the management skills of our Key Managerial Personnel and the guidance of our Promoters and Directors for development of business strategies, monitoring its successful implementation and meeting future challenges. We believe the expertise, experience and continued efforts of our Key Managerial Personnel and their inputs are valuable to for the operations of our Company. Our future success and growth depend largely on our ability to attract, motivate and retain the continued service of our highly skilled management personnel. Our Company has never been faced with a challenge of high rate of attrition of our Key Management Personnel in the past, however, any attrition of our experienced Key Managerial Personnel, would adversely impact our growth strategy. We cannot assure you that we will be successful in recruiting and retaining a sufficient number of personnel with the requisite skills to replace those Key Managerial Personnel who leave. In the event we are unable to motivate and retain our key managerial personnel and thereby lose the services of our highly skilled Key Managerial Personnel may adversely affect the operations, financial condition and profitability of our Company and thereby hampering and adversely affecting our

ability to expand our business. For further details on our Directors and Key Managerial Personnel, please refer to the chapter titled — “*Our Management*” on page 179 of this Draft Red Herring Prospectus.

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

Our Company is engaged in the business of manufacturing flexible packaging material in rolls, pouches and co-extruded films. We use plastic based polymers as the key and primary raw material in our manufacturing process. Due to the use of plastic based polymers, our manufacturing activities are subject to *inter alia* laws, regulations, policies issued under the Environment Protection Act, 1986 and guidance issued for plastic waste management under Swachh Bharat Mission (Urban), promulgated by the Ministry of Housing and Urban Affairs of Government of India, State Pollution Control Board and Central Empowered Committee. These include laws and regulations relating to reusing and recycling of plastic wastes, obligation to collect back the plastic wastes within a stipulated period of time, formulating a mechanism for plastic waste disposal, etc. For further details please refer to the chapter titled “*Key Industry Regulations and Policies*” on page 163 of this Draft Red Herring Prospectus.

There is a risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities. There can be instances in the future, where our Company may be forced to halt our business operations in our manufacturing units on receiving adverse orders from state pollution control boards. We cannot assure you that there will not be any instances in the future wherein our Company will not be forced to halt the operations in its manufacturing units due to not complying with the applicable laws and such events will not cause loss of revenue and have an adverse impact on our business operations.

India has stringent labour legislations which protect the interest of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution, working conditions, hiring and termination of employees, contract labour and work permits and maintenance of regulatory and statutory records and making periodic payments, minimum wages and maximum working hours, overtime, working conditions, etc.

Our Company is also subject to safety, health and environment laws and regulations such as the Environment (Protection) Act, 1986, the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981. These laws and regulations impose controls on our Company’s safety standards, and other aspects of its operations. Our Company has incurred and expects to continue to incur, operating costs to comply with such laws and regulations. In addition, our Company has made and expects to continue to make capital expenditures on an on-going basis to comply with the safety and health laws and regulations. Our Company may be liable to the Central and State governmental bodies with respect to its failures to comply with applicable laws and regulations. Further, the adoption of new safety and health laws and regulations, new interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that our Company make additional capital expenditures or incur additional operating expenses in order to maintain its current operations or take other actions that could adversely affect its financial condition, results of operations and cash flow. Safety, health and environmental laws and regulations in India and all around the world, in particular, have been increasing in stringency and it is possible that they will become significantly more stringent in the future. The costs of complying with these requirements could be significant and may have an impact on our financial condition. Therefore, if there is any failure by us to comply with the terms of the laws and regulations governing our operations we may be involved in litigation or other proceedings, or be held liable in any litigation or proceedings, incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations.

**55. *Our Company is highly dependent on skilled contract labour for manufacturing of our products. Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees. If we are unable to continue to hire skilled contract labour, the quality of our products being manufactured in our units can get affected.***

Our operations are significantly dependent on access to a large pool of contract laborers for operation of our manufacturing unit. As of December 31, 2020, while we had 461 employees including contract laborers employed under the Contract Labour (Regulation and Abolition) Act, 1970. The number of contract laborers employed by us varies from time to time based on the nature and extent of work in which we are

involved. Our dependence on such contract labour may result in significant risks for our operations, relating to the availability and skill of such contract labourers, as well as contingencies affecting availability of such contract laborers during peak periods. Further, our manufacturing units are surrounded by a number of industries, which may create a demand-supply gap in the labour industry which may impact our business operations. There can be no assurance that we will have adequate access to skilled workmen at reasonable rates. As a result, we may be required to incur additional costs to ensure timely execution of our projects.

In addition to the above, in view of the ongoing pandemic and the lockdown which was imposed by several State and Central Governments, there is an acute shortage of laborers, since most of the labourers have returned to their native places due to the widening income gap and lack of adequate resources to sustain their livelihood. In the event, we are unable to source adequate numbers of laborers for our manufacturing units or if we are exposed to an increased expense due to the surge in the wages of such laborers, we cannot assure you that it will not impact our business operations and financial condition. Due to increase in the wages paid to the labors, we may have to increase the cost of our product which would directly impact our customers. In the event, we are unable to deploy the required number of labors to run our manufacturing units for addressing such increased demand of our products, we might not be able to efficiently and timely satisfy the demand of our customers. We believe our employees and contract labour employed in our manufacturing units are critical to maintain our competitive position. Although we have not experienced any material labour unrest, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations and could adversely affect our results of operations and financial position.

Our Company appoints independent contractors who in turn engage on-site contract labourers for carrying out the manufacturing process. Although our Company does not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent workmen. Thus, any such order from a regulatory body or court may adverse effect on our business, results of operations and financial condition. In addition, on an application made by contract labourers, an Industrial court or Tribunal may direct that the contract labourers shall be regularized or absorbed or the State Government may altogether prohibit the employment of contract labour. If either of the abovementioned events occur, we may be required to induct such labourers on our payroll, as employees, which may result in an increase in our expenses. Further, even though we have obtained all necessary approvals as required under the statutes there can be no assurance that we may continue to hold such permits, licenses or approvals. In the event of cancellation or non-renewal of our approvals it may cause an interruption of our operations and may adversely affect our business, financial condition and future results of operations. Furthermore, all contract labourers engaged in our projects receive minimum wages that are fixed by the relevant State governments, and any increase in such minimum wages payable may adversely affect our results of operations.

**56. *Our operations can be adversely affected in case of industrial accidents at our manufacturing unit. Further, any fire or mishap or accidents of such nature at the Company's facilities could lead to accident claims and damage and loss of property, inventory, raw materials, etc.***

Our manufacturing process requires the use of heavy machines, which makes the labour employed at our manufacturing unit prone to accidents that occur during the course of our operations resulting in personal injuries causing permanent disability or even death. Although, we have availed New India flexi floater group medical policy, personal accident insurance policy and workman compensation insurance policy, we cannot assure you that we will be able to receive a claim from these policies, failing which we will have to provide the compensation to the employees from our own resources. Our Company has adopted adequate safety measures; however we cannot assure you that, in the future no such cases will be instituted against our Company, alleging that we were negligent or we did not provide adequate supervision therefore, holding us liable for injuries that were suffered during the manufacture of our products. In the event any such accidents take place in the manufacturing units of our Company, we may get involved in litigation or other proceedings, or be held liable in any litigation or proceedings, incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations.

**57. *Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.***

Our operations are subject to inherent risks and hazards which may adversely impact our profitability, such as breakdown, malfunctions, sub-standard performance or failures of manufacturing equipment, fire, riots, third party liability claims, loss-in-transit for our products, accidents and natural disasters. Presently, we maintain insurance cover against loss or damage by burglary, business interruption by fire, earthquake, terrorism, spoilage, impact damage due to road, water or rail services, etc. by availing burglar insurance policy, standard fire and special perils policy, industrial all risks policy and marine cargo annual turnover policy. In addition to above, we have insured the vehicles purchased by our Company for business purposes by availing commercial vehicle liability policy, private car package policy, auto secure private car package policy, standalone own damage cover for private car policy and reliance private car. There are many events that could cause significant damages to our operations, or expose us to third-party liabilities, whether or not known to us, for which we may not be insured or adequately insured, which in turn may expose us to certain risks and liabilities. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part, or on time. If we were to incur a significant liability for which we were not fully insured, it could adversely affect our results of operations and financial position.

**58. *Our Company is subject to foreign exchange control regulations which can pose a risk of currency fluctuations.***

Our Company is involved in various business transactions with international clients and has to conduct the same in accordance with the rules and regulations prescribed under FEMA. Due to non-receipt of such payments in a timely manner, our Company may fail to adhere to the prescribed timelines and may be required to pay penalty to the appropriate authority or department to regularize the payment. Similarly, due to our sacrosanct reliance on our primary raw material being polymer we are exposed to a risk of increase in costs of raw materials due to the currency fluctuations. Further, our international operations (export sales) make us susceptible to the risk of currency fluctuations, which may directly affect our operating results. In case we are unable to adhere to the timelines prescribed under the applicable laws or are unable to mitigate the risk of currency fluctuation, it could adversely affect our business, results of operations, financial conditions and cash flows.

**59. *Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.***

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. Our business is working capital intensive and we are required to obtain consents from certain of our lenders prior to the declaration of dividend as per the terms of the agreements executed with them. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. Although our Company has declared dividends in the past, however there can be no assurance that our Company will declare dividends in the future also. For further details, please refer to the chapter titled “*Dividend Policy*” and the chapter titled “*Financial Indebtedness*” on pages 204 and 268 respectively, of this Draft Red Herring Prospectus.

**60. *Increased losses due to fraud, employee negligence, theft or similar incidents may have an adverse impact on us.***

Our business and the industry in which we operate are vulnerable to the problem of pilferage by employees, damage, misappropriation of cash and inventory management and logistical errors. An increase in product losses due to such factors at our place of operation may require us to install additional security and surveillance equipment and incur additional expenses towards inventory management and handling. We cannot assure you whether these measures will successfully prevent such losses. Further, there are inherent risks in cash management as part of our operations, which include theft and robbery, employee fraud and the risks involved in transferring cash to banks. Additionally, in case of losses due to theft, financial misappropriation, fire, breakage or damage caused by other casualties, we cannot assure you that we will be able to recover from our insurers the full amount of any such loss in a timely manner, or at all. In addition,

if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy.

**61. *The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled “Objects of the Issue”.***

As the issue size shall be less than ₹10,000 lacs, under Regulation 41 of the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilization of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilization of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoters shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same. For further details, please refer to the chapter titled — “*Objects of the Issue*” on page 93 of this Draft Red Herring Prospectus.

**62. *We have commissioned an industry report for the disclosures made in the chapter titled “Industry Overview” and made disclosures on the basis of the data provided in the same and such data has not been independently verified by us.***

We have commissioned an industry report titled “*Research Report on Indian Flexible Packaging Industry*” issued by “*CARE*” for the disclosures which need to be made in the chapter titled “*Industry Overview*” of this Draft Red Herring Prospectus. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the industry data mentioned in this Draft Red Herring Prospectus or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Red Herring Prospectus in this context.

## **ISSUE SPECIFIC RISKS**

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

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined through a Book Building Process in accordance with the SEBI ICDR Regulations and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

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

The Issue Price of the Equity Shares will be determined by our Company in consultation with the BRLM through a Book Building Process. This price will be based on numerous factors, as described under “*Basis for Issue Price*” on page 105 of this Draft Red Herring Prospectus and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to

significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that as an investor you will be able to sell their Equity Shares at or above the Issue Price.

- 65. *Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

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

- 66. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.***

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

- 67. *Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sale of Equity Shares might occur.

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

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

- 69. *QIB and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

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

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

Our listed Equity Shares will be subject to a daily “circuit breaker” imposed on listed companies by the Stock Exchanges, which does not allow transactions beyond certain volatility in the trading 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 the Equity Shares’ circuit breaker will be set by the Stock Exchanges based on historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform our Company of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

- 71. *Any issuance or sale of the Equity Shares by any existing shareholder could significantly affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by us or the disposal of Equity Shares by any of the major shareholders or the perception that such issuance or sales may occur may significantly affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

- 72. *The Equity Shares issued pursuant to the Issue may not be listed on BSE and NSE in a timely manner, or at all.***

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Equity Shares to be submitted and there could therefore be a failure or delay in listing the Equity Shares on BSE and NSE. Any failure or delay in obtaining such approval would restrict your ability to dispose of your Equity Shares.

- 73. *There is no existing market for our Equity Shares, and we do not know if one will develop to provide you with adequate liquidity. Further, an active trading market for the Equity Shares may not develop and the price of the Equity Shares may be volatile.***

An active public trading market for the Equity Shares may not develop or, if it develops, may not be maintained after the Issue. Our Company, in consultation with the BRLM, will determine the Issue Price. The Issue Price may be higher than the trading price of our Equity Shares following this Issue. As a result, investors may not be able to sell their Equity Shares at or above the Issue Price or at the time that they would like to sell. The trading price of the Equity Shares after the Issue may be subject to significant fluctuations in response to factors such as, variations in our results of operations, market conditions specific to the sectors in which we operate economic conditions of India and volatility of the securities markets elsewhere in the world.

- 74. *The price of the Equity Shares may be highly volatile after the Issue.***

The price of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including: volatility in the Indian and global securities market; our operations and performance; performance of our competitors and the perception in the market about investments in the packaging industry; adverse media reports on us or the Indian packaging industry; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India’s economic liberalization and deregulation policies; and significant developments in India's fiscal and environmental regulations. There can be no assurance that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently.

- 75. *You will not be able to sell immediately on the Stock Exchanges any of the Equity Shares you purchase in the Issue.***



The Equity Shares will be listed on the BSE and the NSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Upon receipt of final approval from the Stock Exchanges, trading in the Equity Shares is to commence within six (6) working days of the date of closure of the Issue or such other time as may be prescribed by SEBI. We cannot assure that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time period prescribed by law. Further, there can be no assurance that the Equity Shares to be Allotted pursuant to this Issue will be listed on the Stock Exchanges in a timely manner or at all.

## **EXTERNAL RISK FACTORS**

### ***76. The outbreak of Novel Coronavirus, or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition and results of operations.***

The outbreak, or threatened outbreak, of any severe epidemic caused due to viruses (particularly the Novel Coronavirus) 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 customers and suppliers, which could adversely affect our business, financial condition and results of operations. The outbreak of Novel Coronavirus 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 customers, and those of our respective vendors and suppliers. There is currently substantial medical uncertainty regarding Novel Coronavirus and no government-certified treatment or vaccine is available. 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 Novel Coronavirus remain uncertain and could be severe. Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts. If any of our employees were suspected of contracting Novel Coronavirus 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 Novel Coronavirus will cause an economic slowdown and it is possible that it could cause a global recession. The spread of Novel Coronavirus 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 Novel Coronavirus further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge 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. We are still assessing our business operations and system supports and the impact Novel Coronavirus may have on our results and financial condition, but there can be no assurance that this analysis will enable us to avoid part or all of any impact from the spread of Novel Coronavirus or its consequences, including downturns in business sentiment generally or in our sector in particular. The degree to which Novel Coronavirus 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 due to the rising number of infected cases of COVID-19 in the country and the onset of the second wave of the virus, various State Governments have imposed a complete lockdown. There is no certainty if additional restrictions will be imposed or if the lockdown would be extended to combat with the second wave and prevent the third wave of COVID-19 in the country. In the event additional restrictions are

imposed, 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.

Further, our ability to ensure the safety of our workforce and continuity of operations while confirming with measures implemented by the central and state governments in relation to the health and safety of our employees may result in increased costs. In the event a member or members of our senior management team contract COVID-19, it may potentially affect our operations. Further, in the event any of our employees contract COVID-19, we may be required to quarantine our employees and shut down a part of or the entire manufacturing facility or our offices as necessary. Risks arising on account of COVID-19 can also threaten the safe operation of our facility, offices, loss of life, injuries and impact the well-being of our employees.

**77. Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and International Financial Reporting Standards (“IFRS”), which investors may be more familiar with and consider material to their assessment of our financial condition.**

Our restated summary statements of assets and liabilities as at December 31, 2020 and restated summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the Fiscals 2020 have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Ind AS Rules and restated in accordance with the SEBI ICDR Regulations, the SEBI Circular and the Prospectus Guidance Note.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Restated Financial Information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Ind AS, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

**78. Political, economic or other factors that are beyond our control may have adversely affect our business and results of operations.**

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors’ reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders’ equity and the price of our Equity Shares.

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 or services may be adversely affected by an economic downturn in domestic, regional and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general

and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

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

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

Further, as a listed company we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management's attention may be diverted from other business concerns, which could affect our business, prospects, results of operations and financial condition and the price of our Equity Shares. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely manner.

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

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- variations in exchange rates;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including India's neighboring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

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

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

The Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("ICDS"), thereby creating a new framework for the computation of taxable

income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

- the General Anti Avoidance Rules (“GAAR”) have been made effective from April 1, 2017. The tax 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. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.
- a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

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

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

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

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors’ reactions to developments in one country can have an adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

These could include greater volatility of markets in general due to the increased uncertainty. These and other related events could have a significant impact on the global credit and financial markets as a whole, and could result in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets. There are also concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

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

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

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

**84. *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.***

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Further, 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.

**85. *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 international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

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

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax ("GST") regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. The Government has enacted the GAAR which have come into effect from April 1, 2017.

The Government of India has announced the union budget for Fiscal 2021 and the Ministry of Finance has notified the Finance Act, 2021 ("**Finance Act**") on March 28, 2021, pursuant to assent received from the President, and the Finance Act will come into operation with effect from July 1, 2020 There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have a material adverse effect on our business, financial condition and results of operations. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has, in a decision clarified the components of basic wages, which need to be considered by companies while making provident fund payments. Our Company has not made relevant provisions for the same, as on date. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Further, a draft of the Personal Data Protection Bill, 2019 ("**Bill**") has been introduced before the Lok Sabha on December 11, 2019, which is currently being referred to a joint parliamentary committee by the Parliament. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

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

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

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

**88. *We are subject to regulatory, economic, social and political uncertainties and other factors beyond our***

***control.***

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are proposed to be listed on BSE and NSE. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighboring countries;
- hostile or war like situations with the neighboring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.
- Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares. For example, our manufacturing facilities are located in western India, hence any significant disruption, including due to social, political or economic factors or natural calamities or civil disruptions, impacting this region may adversely affect our operations.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

The recent outbreak of Novel Coronavirus has significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

## SECTION III – INTRODUCTION

### THE ISSUE

Following table summarizes the present Issue in terms of this Draft Red Herring Prospectus:

Particulars	Details of Equity Shares
Issue of Equity Shares <sup>1)</sup>	Upto [●] Equity Shares of face value of ₹ 10 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share aggregating to ₹ 3,600 lacs. <sup>2)</sup>
<i>of which:</i>	
<b>A. QIB Portion</b> <sup>3) 4)</sup>	Not more than [●] Equity Shares
<i>of which</i>	
Anchor Investor Portion	Upto [●] Equity Shares
Net QIB Portion i.e. balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	Upto [●] Equity Shares
<i>of which:</i>	
Available for allocation to Mutual Funds only (05% of the Net QIB Portion (excluding the Anchor Investor Portion))	Upto [●] Equity Shares
Balance for all QIBs including Mutual Funds	Upto [●] Equity Shares
<b>B. Non-Institutional Portion</b> <sup>3)</sup>	Not less than [●] Equity Shares
<b>C. Retail Portion</b> <sup>3)</sup>	Not less than [●] Equity Shares
<b>Pre and Post-Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	1,46,94,286 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Net proceeds of this Issue	Please refer the chapter titled “ <i>Objects of the Issue</i> ” on page 93 of this Draft Red Herring Prospectus.

<sup>1)</sup> This Issue is being made in terms of Regulation 6(2) of Chapter II of the SEBI (ICDR) Regulations. For further details, please refer to section titled “Issue Information” on page 295 of this Draft Red Herring Prospectus.

<sup>2)</sup> The present Issue has been authorised pursuant to a resolution passed by our Board at its meeting held on April 20, 2021 and by our Shareholders by way of a special resolution passed pursuant to Section 62(1) (c) of the Companies Act, 2013 at the EGM held on May 20, 2021.

<sup>3)</sup> Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.

<sup>4)</sup> Our Company in consultation with the BRLM, may allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI ICDR Regulations, at the Anchor Investor Issue Price. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors which price shall be determined by the Company in consultation with the BRLM. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added back to the Net QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer to the chapter titled “Terms of the Issue”, “Issue Structure” and “Issue Procedure” beginning on pages 295, 301 and 304 of this DRHP.

In the event of oversubscription, Allotment shall be made on a proportionate basis, subject to valid bids received at or above the Issue Price, in consultation with the Designated Stock Exchange and in accordance with SEBI (ICDR) Regulations. Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. For further details, see “Issue Procedure” beginning on page 304 of this Draft Red Herring Prospectus. For details of the terms of the Issue, see “Terms of the Issue” beginning on page 301 of this Draft Red Herring Prospectus.



## **SUMMARY OF FINANCIAL INFORMATION**

*The following tables provide the summary financial information of our Company derived from the Restated Financial Information as at and for the nine months period ended December 31, 2020 and for the Fiscals 2020, 2019 and 2018. The Restated Financial Information referred to above is presented under the section titled “Financial Information” on page 205. The summary financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto and the sections titled “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 205 and 254, respectively.*

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ANNEXURE – I: RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lakhs)

Particulars	Note No.	As At			
		31.12.2020	31.03.2020	31.03.2019	31.03.2018
<b>A. Assets</b>					
<b>1 Non-Current Assets</b>					
(a) Property, Plant & Equipment	4	6,041.06	5,375.12	2,547.42	2,675.70
(b) Capital Work-In-Progress	5	218.50	652.28	1,213.88	574.21
(c) Financial Assets					
(i) Investments	6	23.85	23.83	15.16	15.16
(ii) Other Financial Assets	7	134.50	126.74	135.16	96.42
(c) Other Non Current Assets	8	325.15	176.32	181.53	15.86
<b>Total Non- Current Assets</b>		<b>6,743.06</b>	<b>6,354.30</b>	<b>4,093.15</b>	<b>3,377.36</b>
<b>2 Current Assets</b>					
(a) Inventories	9	4,055.42	3,147.34	2,640.44	2,344.23
(b) Financial Assets					
(i) Trade Receivables	10	2,410.21	1,425.67	1,705.76	1,831.95
(ii) Cash and cash equivalents	11	44.82	34.60	12.89	58.08
(iii) Bank balances other than cash and cash equivalents	12	-	50.00	54.36	-
(iv) Other financial assets	13	7.02	8.38	3.18	6.63
(c) Other Current Assets	14	393.25	283.95	111.52	204.41
<b>Total Current Assets</b>		<b>6,910.72</b>	<b>4,949.94</b>	<b>4,528.13</b>	<b>4,445.30</b>
<b>Total Assets</b>		<b>13,653.79</b>	<b>11,304.24</b>	<b>8,621.29</b>	<b>7,822.66</b>
<b>B. Equity and Liabilities</b>					
<b>1 Shareholders' Funds</b>					
(a) Equity Share Capital	15	1,469.43	1,469.43	648.00	405.00
(b) Other Equity	16	2,826.46	2,402.88	2,516.60	2,332.09
<b>Total Shareholders' Funds</b>		<b>4,295.89</b>	<b>3,872.31</b>	<b>3,164.60</b>	<b>2,737.09</b>
<b>2 Non-Current Liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	17	3,405.71	2,924.17	740.18	959.79
(b) Provisions	18	29.93	23.46	19.65	18.54
(c) Deferred Tax Liabilities (Net)	19	237.43	209.20	176.44	200.52
<b>Total Non-Current Liabilities</b>		<b>3,673.07</b>	<b>3,156.83</b>	<b>936.27</b>	<b>1,178.85</b>
<b>3 Current Liabilities</b>					
(a) Financial liabilities					
(i) Borrowings	20	3,036.55	2,324.05	2,864.99	2,377.20
(ii) Trade payables	21				
-total outstanding dues of micro enterprises and small enterprises		2.27	2.23	3.34	2.74
-total outstanding dues of creditors other than micro enterprises and small enterprises		2,045.59	1,662.99	1,186.79	995.70
(iii) Other financial liabilities	22	523.01	248.34	387.58	456.63
(b) Other current liabilities	23	45.09	35.22	65.89	19.47
(c) Provisions	24	2.54	2.27	0.92	1.44
(c) Current tax liabilities (net)	25	29.77	0.00	10.92	53.53
<b>Total Current Liabilities</b>		<b>5,684.82</b>	<b>4,275.10</b>	<b>4,520.42</b>	<b>3,906.71</b>
<b>Total Equity &amp; Liabilities</b>		<b>13,653.79</b>	<b>11,304.24</b>	<b>8,621.29</b>	<b>7,822.66</b>

See accompanying notes under Annexure V forming integral part of the restated financial information.

As per our report of even date.

**FOR BHANWAR JAIN & CO.**  
Chartered Accountants  
ICAI FRN 117340W

For and on behalf of the board of directors

(B.M. JAIN)  
Partner  
MEM. NO. 34943  
PLACE : AHMEDABAD  
DATED : 25th June,2021

(SUMER RAJ LODHA)  
MANAGING DIRECTOR  
(DIN: 00033283)

(ABHISHEK LODHA)  
DIRECTOR  
(DIN:07106811)

UMA CONVERTER LIMITED (Formerly known as Uma Converter Private Limited)

CIN: U25111GJ1999PLC036163

ANNEXURE – II: RESTATED STATEMENT OF PROFIT AND LOSS

(Rs. in Lakhs)

Particulars	Note No.	For the year/period ended			
		31.12.2020	31.03.2020	31.03.2019	31.03.2018
<b>I Revenue:</b>					
Revenue from operations (net)	26	11,782.98	10,359.10	10,442.93	9,017.20
Other income	27	24.57	39.35	37.57	80.77
<b>Total revenue</b>		<b>11,807.55</b>	<b>10,398.45</b>	<b>10,480.50</b>	<b>9,097.97</b>
<b>II Expenses:</b>					
Cost of material Consumed	28	7,877.55	7,154.32	7,462.66	6,078.47
Purchase of stock-in-trade		515.06	530.32	355.38	527.50
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	133.45	(421.73)	(268.24)	(201.67)
Manufacturing expenses	30	1,279.19	1,191.58	1,009.24	989.23
Employee benefit expenses	31	505.07	601.44	548.75	506.31
Finance costs	32	392.12	370.81	306.19	262.46
Depreciation and amortization expense	4	324.27	332.20	258.28	258.61
Other expenses	33	257.41	261.93	244.98	162.50
<b>Total Expenses</b>		<b>11,284.12</b>	<b>10,020.86</b>	<b>9,917.25</b>	<b>8,583.40</b>
<b>III Profit/(loss) before exceptional items &amp; tax (I-II)</b>		<b>523.43</b>	<b>377.58</b>	<b>563.25</b>	<b>514.57</b>
<b>IV Exceptional Items</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>V Profit/(loss) before tax (III-IV)</b>		<b>523.43</b>	<b>377.58</b>	<b>563.25</b>	<b>514.57</b>
<b>VI Tax Expense :</b>	35				
(i) Current tax		87.37	70.51	157.66	104.91
(ii) MAT Credit Entitlement		(17.89)	-	4.78	(4.78)
(iii) Deferred Tax		28.83	32.80	(24.81)	(1.52)
<b>Total Tax Expense</b>		<b>98.30</b>	<b>103.32</b>	<b>137.63</b>	<b>98.62</b>
<b>VII Profit/(loss) For the year (V-VI)</b>		<b>425.12</b>	<b>274.26</b>	<b>425.62</b>	<b>415.95</b>
<b>VIII Other Comprehensive Income</b>					
(a) Items that will not be reclassified to profit or loss					
(i) Gain/(Loss) on Remeasurement of Defined Benefit Plans		(2.14)	(0.16)	2.61	(6.29)
(ii) Income tax relating to above items		0.60	0.05	(0.73)	2.08
<b>IX Other Comprehensive Income for the period/year</b>		<b>(1.54)</b>	<b>(0.12)</b>	<b>1.88</b>	<b>(4.21)</b>
<b>X Total Comprehensive Income for the year (VII+IX)</b>		<b>423.58</b>	<b>274.14</b>	<b>427.50</b>	<b>411.74</b>
<b>XI Earning per equity share (in Rs.):</b>	43				
(1) Basic (Face Value of Rs. 10 each)		<b>2.89</b>	<b>2.01</b>	<b>3.29</b>	<b>3.66</b>
(2) Diluted (Face Value of Rs. 10 each)		<b>2.89</b>	<b>2.01</b>	<b>3.29</b>	<b>3.66</b>

See accompanying notes under Annexure V forming integral part of the restated financial information.

As per our report of even date.

**FOR BHANWAR JAIN & CO.**  
Chartered Accountants  
ICAI FRN 117340W

For and on behalf of the board of directors of

(B.M. JAIN)  
Partner  
MEM. NO. 34943  
PLACE : AHMEDABAD  
DATED : 25th June,2021

(SUMER RAJ LODHA)  
MANAGING DIRECTOR  
(DIN: 00033283)

(ABHISHEK LODHA)  
DIRECTOR  
(DIN:07106811)

**ANNEXURE - III: RESTATED STATEMENT OF CASH FLOWS**

(Rs. in Lakhs)

Particulars	For the year/period ended			
	31.12.2020	31.03.2020	31.03.2019	31.03.2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Profit before exceptional items and tax	523.43	377.58	563.25	514.57
Adjustments for:				
Depreciation and amortization expenses	324.27	332.20	258.28	258.61
Gratuity	4.34	3.65	3.72	0.54
Allowance/(Reversal) of Expected Credit Loss	20.09	(5.72)	(2.58)	5.00
Profit on Sale of Fixed Assets	-	-	(0.45)	(7.03)
Interest Paid	319.53	346.99	283.02	239.01
Interest Received	(15.24)	(16.40)	(19.92)	(12.22)
Dividend Received	-	-	(0.34)	-
<b>Operating Profit before working capital changes</b>	<b>1,176.41</b>	<b>1,038.30</b>	<b>1,084.98</b>	<b>998.48</b>
<b>Changes in working capital</b>				
<b>Adjustments for:</b>				
Inventories	(908.08)	(506.90)	(296.21)	(311.01)
Trade receivables	(1,004.63)	285.81	128.77	(249.98)
Other financial assets	1.36	(5.21)	3.46	13.96
Other current assets	(109.30)	(172.43)	92.89	(85.72)
Non-current financial assets	(7.76)	8.42	(38.74)	(46.30)
Non-current assets	(148.82)	5.20	(165.67)	16.78
Trade payables	382.64	475.10	191.69	283.68
Other current liabilities	9.87	(30.67)	46.42	(41.29)
Other financial liabilities	274.68	(139.25)	(69.05)	46.75
Provisions	0.27	1.35	(0.52)	1.44
<b>Cash generated from operations</b>	<b>(333.38)</b>	<b>959.72</b>	<b>978.02</b>	<b>626.77</b>
<b>Net Income tax paid</b>	<b>(39.71)</b>	<b>(81.43)</b>	<b>(205.05)</b>	<b>(49.81)</b>
<b>Net cash flows used in operating activities (A)</b>	<b>(373.08)</b>	<b>878.29</b>	<b>772.97</b>	<b>576.96</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of property, plant and equipment and intangible assets	(556.43)	(2,598.30)	(769.67)	(810.61)
Purchase of Investments	(0.02)	(8.67)	-	-
Proceeds from sale/ disposal of fixed assets	-	-	0.45	12.35
Net withdrawal/(Investment) in fixed deposits	50.00	4.36	(54.36)	-
Interest Received	15.24	16.40	19.92	12.22
Dividend Received	-	-	0.34	-
<b>Net cash flow from investing activities (B)</b>	<b>(491.21)</b>	<b>(2,586.22)</b>	<b>(803.31)</b>	<b>(786.04)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds from issuance of share capital	-	433.57	-	270.00
Proceeds from borrowings	1,194.04	1,643.05	268.17	117.08
Interest paid	(319.53)	(346.99)	(283.02)	(239.01)
<b>Net cash flow from financing activities (C)</b>	<b>874.51</b>	<b>1,729.64</b>	<b>(14.85)</b>	<b>148.07</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>10.22</b>	<b>21.71</b>	<b>(45.19)</b>	<b>(61.01)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>34.60</b>	<b>12.89</b>	<b>58.08</b>	<b>119.09</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>44.82</b>	<b>34.60</b>	<b>12.89</b>	<b>58.08</b>

a. Cash and cash equivalents in cash flow statement comprise of folowings:

(Rs. in Lakhs)

Particulars	For the year/period ended			
	31.12.2020	31.03.2020	31.03.2019	31.03.2018
Balance with Banks	30.21	19.96	9.00	22.36
Fixed Deposits with maturity less than 3 months	-	-	-	30.87
Cash on hand	14.61	14.64	3.89	4.85
	<b>44.82</b>	<b>34.60</b>	<b>12.89</b>	<b>58.08</b>

See accompanying notes under Annexure V forming integral part of the restated financial information.

As per our report of even date.

**FOR BHANWAR JAIN & CO.**

**Chartered Accountants**

**ICAI FRN 117340W**

**For and on behalf of the board of directors of**

**(B.M. JAIN)**

**Partner**

**MEM. NO. 34943**

**PLACE : AHMEDABAD**

**DATED : 25th June,2021**

**(SUMER RAJ LODHA)**

**MANAGING DIRECTOR**

**(DIN: 00033283)**

**(ABHISHEK LODHA)**

**DIRECTOR**

**(DIN:07106811)**

## GENERAL INFORMATION

Our Company was incorporated as '*Uma Converter Private Limited*' on June 18, 1999 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Pursuant to a special resolution of our Shareholders passed in the 19<sup>th</sup> annual general meeting held on August 29, 2018 our Company was converted from a private limited company to a public limited company and consequently the name of our Company was changed to '*Uma Converter Limited*', and a fresh certificate of incorporation dated September 27, 2018 was issued to our Company by the Registrar of Companies, Gujarat at Ahmedabad. The corporate identification number of our Company is U25111GJ1999PLC036163.

### Registered Office of our Company

#### Uma Converter Limited

Block number 868,  
Near CNG Petrol Pump,  
Santej Road, Village - Santej,  
Taluka - Kalol, Gandhinagar- 382 721,  
Gujarat, India.

**Registration Number:** 04-36163

**Telephone:** +91 93 2710 3652

**E-mail:** cs@umaconverter.com

**Investor grievance id:** investors@umaconverter.com

**Website:** www.umaconverter.com

**CIN:** U25111GJ1999PLC036163

### Corporate Office of our Company

As on date of this Draft Red Herring Prospectus, our Company does not have a corporate office.

### Registrar of Companies

Our Company is registered with the Registrar of Companies, Gujarat situated at the following address:

#### Registrar of Companies, Gujarat

ROC Bhavan, Opp. Rupal Park Society,  
Behind Ankur Bus Stop,  
Naranpura, Ahmedabad-380013,  
Gujarat, India.

### Board of Directors of our Company

Set forth below are the details of our Board of Directors as on the date of this Draft Red Herring Prospectus:

S. No.	Name	Designation	DIN	Address
1.	Sumer Raj Lodha	Chairman and Managing Director	00033283	C-3/42, Goyal Inter City, Opposite T V Tower, Drive in Road, Thaltej, Ahmedabad City, Ahmedabad – 380 054, Gujarat, India.
2.	Nirmala Lodha	Executive Director	00033246	C-3/42, Goyal Inter City, Opposite T V Tower, Drive in Road, Thaltej, Ahmedabad City, Ahmedabad – 380 054, Gujarat, India.
3.	Abhishek Sumerraj Lodha	Whole-time Director	07106811	C-3/42, Goyal Inter City, Opposite T V Tower, Drive in Road, Thaltej, Ahmedabad City, Ahmedabad – 380 054, Gujarat, India.
4.	Ashok Ruplal Kavdia	Independent Director	00054601	D-1004, Dhananjay Tower, 100 ft. road, Satellite, Ahmedabad City, Ambawadi Vistar, Ahmedabad – 380 015, Gujarat, India.

S. No.	Name	Designation	DIN	Address
5.	Mohit Rajendra Mehta	Independent Director	08204107	802, Shivalik Paradise, opposite Torrent Power Samanvay, Manekbaug Society, Nehrunagar, Ahmedabad City, Manekbag, Ahmedabad – 380 015, Gujarat, India.
6.	Pradeep Randhirmal Lodha	Additional Director	(Independent) 01560437	A 701, Gala Luxuria, Gymkhana road, Near Safal Parisar, South Bopal, Bopal, Ahmedabad – 380 058, Gujarat, India.

For detailed profile of our Directors, please refer to the chapter titled “*Our Management*” on page 179 of the Draft Red Herring Prospectus.

#### **Chief Financial Officer**

Ashish Bhandari, is the Chief Financial Officer of our Company. His contact details are set forth hereunder.

Block number 868,  
Near CNG Petrol Pump,  
Santej Road, Village - Santej,  
Taluka - Kalol, Gandhinagar- 382 721,  
Gujarat, India.  
**Telephone:** +91 93 2710 3652  
**E-mail:** ashish.bhandari@umaconverter.com

#### **Company Secretary and Compliance Officer**

Parth Bharatkumar Kamdar is the Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder.

Block number 868,  
Near CNG Petrol Pump,  
Santej Road, Village - Santej,  
Taluka - Kalol, Gandhinagar- 382 721,  
Gujarat, India.  
**Telephone:** +91 93 2710 3652  
**E-mail:** cs@umaconverter.com

#### **Investor grievances**

**Bidders are advised to contact the Company Secretary and Compliance Officer, the BRLM and/or the Registrar to the Issue in case of any pre-Issue or post-Issue related queries/problems such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of funds by electronic mode etc.**

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

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

All grievances relating to the UPI mechanism may be addressed to the Registrar to the Issue with a copy to the relevant Sponsor Bank or the member of the Syndicate if the Bid was submitted to a member of the Syndicate at any of the Specified Locations, or the Registered Broker if the Bid was submitted to a Registered Broker at any of the Brokers Centres, as the case may be, quoting the full name of the sole or first Bidder, Bid cum Application Form number, address of the Bidder, Bidder's DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate or the Designated Branch or the Registered Broker or address of the RTA or address of the DP, as the case may be, where the Bid was submitted, and the UPI ID of the UPI ID Linked Bank Account in which the amount equivalent to the Bid Amount was blocked. All grievances relating to Bids submitted through the Registered Broker and/or a Stock Broker may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

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

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

##### **Book Running Lead Manager**

###### **GYR Advisors Private Limited**

428, Gala Empire, Near JB Tower,  
Drive in Road, Thaltej,  
Ahemdabad-380 054,  
Gujarat, India.

**Telephone:** +91 82 0093 1018

**Facsimile:** N.A.

**Email ID:** [info@gyrcapitaladvisors.com](mailto:info@gyrcapitaladvisors.com)

**Website:** [www.gyrcapitaladvisors.com](http://www.gyrcapitaladvisors.com)

**Investor Grievance ID:** [investors@gyrcapitaladvisors.com](mailto:investors@gyrcapitaladvisors.com)

**Contact Person:** Ikshit Shah

**SEBI Registration Number:** INM000012810

##### **Registrar to the Issue**

###### **Bigshare Services Private Limited**

1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opposite Vasant Oasis, Makwana Road,  
Marol, Andheri (East), Mumbai – 400 059,  
Maharashtra, India

**Telephone:** +91 22 6263 8200

**Facsimile:** +91 022 6263 8280

**E-mail:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)

**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)

**Investor grievance:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

**SEBI Registration No:** INR000001385

**Contact person:** Ashish Bhope

##### **Legal Advisor to the Issue**

###### **M/s. Crawford Bayley & Co.**

4th Floor, State Bank Buildings  
N.G.N. Vaidya Marg, Fort  
Mumbai 400 023  
Maharashtra, India

**Telephone:** +91 22 2266 3353

**Facsimile:** +91 22 2266 3978

**Email:** [sanjay.asher@crawfordbayley.com](mailto:sanjay.asher@crawfordbayley.com)

**Contact Person:** Sanjay Asher

## **Statutory and Peer Review Auditor of our Company**

### **M/s. Bhanwar Jain & Co.**

Chartered Accountants  
302, Kaling Complex,  
Near Mount Carmel School,  
Ashram Road, Ahmedabad – 3800 09,  
Gujarat, India.  
**Telephone:** + 91 079 2658 3107/ 4006 0308  
**Facsimile:** N.A.  
**Email:** ca.bmjco@gmail.com  
**Contact Person:** Bhanwar Jain  
**Membership No.:** 034943  
**Firm Registration No.:** 117340W  
**Peer Review Certificate No.:** 012749

## **Bankers to our Company**

### **Axis Bank Limited**

2nd Floor, 3rd Eye One,  
C.G. Road, Ahmedabad – 380 009,  
Gujarat, India.  
**Telephone:** +91 079 6614 7105  
**Facsimile:** +91 079 6614 7105  
**E-mail:** manan.bhatt@axisbank.com  
**Website:** www.axisbank.com  
**Contact person:** Manan Bhatt

## **Consultant to the Issue**

### **M/s. D S Momaya & Co.,**

Company Secretaries  
Office No 11, Shree Durga Apt,  
Plot No 186, Sector 10, Sanpada  
Next to Dmart, Navi Mumbai - 400 705  
Maharashtra, India  
**Telephone:** +91 961 974 5928  
**Facsimile:** N.A.  
**Email:** divya.dsmco@gmail.com  
**Contact Person:** Divya Momaya

## **Banker to the Issue**

The Banker(s) to the Issue shall be appointed prior to filing of the Red Herring Prospectus.

## **Refund Bank**

The Refund Bank(s) shall be appointed prior to filing of the Red Herring Prospectus.

## **Sponsor Bank**

The Sponsor Bank(s) shall be appointed prior to filing of the Red Herring Prospectus.

## **Syndicate Member**

The Syndicate Member(s) shall be appointed prior to filing of the Red Herring Prospectus.

## **Designated Intermediaries**

*Self-Certified Syndicate Banks*



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

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.

#### *SCSBs enabled for UPI Mechanism*

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 updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, as amended.

#### *Syndicate SCSB Branches*

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

#### *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 BSE and NSE at [www.bseindia.com/Markets/PublicIssues/brokercentres\\_new.aspx?](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?) and on the website of NSE at [www.nseindia.com/products/content/equities/ipo/ipo\\_mem\\_terminal.htm](http://www.nseindia.com/products/content/equities/ipo/ipo_mem_terminal.htm), respectively as updated from time to time.

#### *Registrar and Share Transfer Agent*

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at [www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?](http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?) and [www.nseindia.com/products/content/equities/ipo/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipo/asba_procedures.htm), respectively, as updated from time to time.

#### *Collecting Depository Participants*

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at [www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?](http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?) and on the website of NSE at [www.nseindia.com/products/content/equities/ipo/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipo/asba_procedures.htm), respectively 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](http://www.sebi.gov.in)) and updated from time to time.

### **IPO Grading**

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

### **Credit Rating**

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

### **Green Shoe Option**

No Green Shoe Option is applicable for this Issue.

### **Brokers to the Issue**

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

### **Debenture Trustees**

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

### **Monitoring Agency**

As the net proceeds of the Issue will be less than ₹10,000 lacs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

### **Appraising Entity**

Except for the object relating to expansion of our manufacturing facility situated at Timba, which has been appraised by Care Advisory Research & Training Limited, none of the Objects of the Issue have been appraised. Care Advisory Research & Training Limited has issued a Techno Economic Viability Report (Appraisal Report) in the month of June, 2021 in respect of the proposed expansion.

The contact details of the appraising entity are given below:

#### **Care Advisory Research & Training Limited**

A-1102/1103, 11<sup>th</sup> Floor, Kanakia Wall Street,  
Chakala, Andheri - Kurla Rd, Hanuman Nagar,  
Andheri East, Mumbai- 400093  
Maharashtra, India.

**Telephone:** +91 022 6837 4400

**Facsimile:** N.A.

**Email ID:** amit.shah@care-cart.com

**Website:** <http://www.care-cart.com/>

**Contact Person:** Amitkumar Shah

### **Expert Opinion**

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

Our Company has received written consent dated June 27, 2021 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated June 25, 2021 on our restated consolidated financial information; and (ii) its report dated June 27, 2021 on the statement of special tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

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

GYR Capital Advisors Private Limited being the sole Book Running Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue. Hence, a statement of inter se allocation of responsibilities is not required.

## Filing

A copy of this DRHP has been filed with the Securities Exchange Board of India, Western Regional Office situated at Unit No: 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station, Opposite Nehru Bridge, Ashram Road, Ahmedabad-380 009, Gujarat, India and simultaneously through the SEBI Intermediary Portal at <https://siportal.sebi.gov.in>, in accordance with SEBI circular dated January 19, 2018 bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2018/011. This DRHP will also be filed with BSE and NSE, where the specified securities are proposed to be listed.

A copy of the Red Herring Prospectus, along with the material contracts and documents and a copy of the Prospectus required to be filed with the RoC under Section 32 and Section 26 of the Companies Act, 2013, respectively would be delivered for filing with the RoC at its office situated at:

ROC Bhavan, Opp. Rupal Park Society,  
Behind Ankur Bus Stop,  
Naranpura, Ahmedabad-380013,  
Gujarat, India.

## Changes in Auditors during the last three years

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

Name of Auditor	Date of Change	Reason for change
M/s. Rajendra R. Jain & Co., Chartered Accountants E-47, Shastri Nagar, Behind Barkatulla Khan Stadium, Jodhpur – 342003, Rajasthan, India. <b>Email:</b> rrjainco@gmail.com <b>Firm Registration No.:</b> 001792C	August 12, 2019	Completion of term of appointment under the provisions of Section 139 (2) of the Companies Act, 2013.
M/s. Bhanwar Jain & Co. Chartered Accountants 302, Kaling Complex, Near Mount Carmel School, Ashram Road, Ahmedabad – 3800 09, Gujarat, India. <b>Email:</b> ca.bmjco@gmail.com <b>Firm Registration No.:</b> 117340W	August 12, 2019	Appointment in place of the retiring auditor.

## Book Building Process

Book Building Process, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus, the Bid cum Application Form and Revision Form. The Price Band and minimum Bid Lot size will be decided by our Company in consultation with the BRLM and advertised in all editions of English national newspaper [●], all editions of Hindi national newspaper [●], and all editions of Gujarati newspaper [●] (Gujarati being the regional language of Gujarat where our Registered Office is located), each with wide circulation, at least two (02) Working Days prior to the Bid / Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Issue Price shall be determined by our Company, in consultation with the BRLM after the Bid/ Issue Closing Date. For details, see “*Issue Procedure*” beginning on page 304.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs.

In addition to this, the Retail Individual Investors may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked

by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors (subject to the Bid Amount being up to ₹ 200,000) can revise their Bids during the Bid/ Issue Period and withdraw their Bids on or before the Bid/ Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.

For further details on the method and procedure for Bidding and book building process, see “*Issue Structure*” and “*Issue Procedure*” beginning on pages 301 and 304, respectively.

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

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

### **Underwriting Agreement**

After the determination of the Issue Price, but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein:

The Underwriters have indicated their intention to underwrite the following number of Equity Share:

Name, address, telephone number, Facsimile and e-mail addresses of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten	<i>(₹ in lacs)</i>
			% of the total Issue size Underwritten
[●]	[●]	[●]	[●]

The above-mentioned is indicative underwriting and will be finalised after determination of Issue Price and Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of the Board, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s).

The Board/ IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company. Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

## CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Red Herring Prospectus and after giving effect to the Issue is set forth below:

S. No.	Particulars	Amount (in ₹ Lacs, except share data)	
		Aggregate value at nominal value	Aggregate value at Issue Price
<b>A. Authorised Share Capital</b>			
	2,20,00,000 Equity Shares of face value of ₹ 10 each	2,200.00	
<b>B. Issued, Subscribed and Paid-Up Share Capital before the Issue</b>			
	1,46,94,286 Equity Shares of face value of ₹ 10 each	1,469.43	
<b>C. Present Issue in terms of this Draft Red Herring Prospectus</b>			
	Public Issue of up to [●] Equity Shares of face value of ₹10 each at a Price of ₹[●] per Equity Share <sup>(1)</sup>	upto [●]	[●]
	<i>Of which</i>		
	QIB Portion of not more than [●] Equity Shares	[●]	[●]
	Non-Institutional Portion of not less than [●] Equity Share	[●]	[●]
	Retail Portion of not less than [●] Equity Share	[●]	[●]
<b>D. Issued, Subscribed and Paid-Up Share Capital after the Issue</b>			
	[●] Equity Shares of face value of ₹10 each	[●]	
<b>E. Securities Premium Account</b>			
	Before the Issue	625.14	
	After the Issue	[●]	

<sup>(1)</sup>The present Issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on April 20, 2021, and by the shareholders of our Company vide a special resolution passed pursuant to section 62 (1) (c) of the Companies Act, 2013 at the EGM held on May 20, 2021.

### Classes of Shares

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

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

The initial authorised capital of our Company was ₹ 2,000 consisting of 200 Equity Shares of ₹ 10 each. Further, the authorised share capital of our Company has been altered in the manner set forth below:

Date of Shareholder's Meeting	Particulars of Change		AGM/EGM
	From	To	
March 11, 2000	₹ 5,00,000 consisting of 50,000 Equity Shares of ₹ 10 each	₹ 1,50,00,000 consisting of 15,00,000 Equity Shares of ₹ 10 each	EGM
December 01, 2007	₹ 1,50,00,000 consisting of 15,00,000 Equity Shares of ₹ 10 each	₹ 2,00,00,000 consisting of 20,00,000 Equity Shares of ₹ 10 each	EGM
May 28, 2010	₹ 2,00,00,000 consisting of 20,00,000 Equity Shares of ₹ 10 each	₹ 3,50,00,000 consisting of 35,00,000 Equity Shares of ₹ 10 each	EGM
January 29, 2014	₹ 3,50,00,000 consisting of 35,00,000 Equity Shares of ₹ 10 each	₹ 5,50,00,000 consisting of 55,00,000 Equity Shares of ₹ 10 each	EGM
August 29, 2018	₹ 5,50,00,000 consisting of 55,00,000 Equity Shares of ₹ 10 each	₹12,00,00,000 consisting of 1,20,00,000 Equity Shares of ₹ 10 each	AGM
March 25, 2019	₹12,00,00,000 consisting of 1,20,00,000 Equity Shares of ₹ 10 each	₹ 15,00,00,000 consisting of 1,50,00,000 Equity Shares of ₹ 10	EGM

Date of Meeting	Shareholder's	Particulars of Change		AGM/EGM
		From	To	
May 20, 2021	₹ 15,00,00,000 consisting of 1,50,00,000 Equity Shares of ₹ 10 each	₹ 22,00,00,000 consisting of 2,20,00,000 Equity Shares of ₹ 10 each	each	EGM

## NOTES TO CAPITAL STRUCTURE

### 1. History of Share capital of our Company

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

Date of Allotment	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative paid-up Capital (₹)
On Incorporation*	200	10	10	Cash	Subscription to Memorandum of Association <sup>(1)</sup>	200	2,000
March 13, 2000	7,55,600	10	10	Cash	Preferential Allotment <sup>(2)</sup>	7,55,800	75,58,000
May 13, 2000	3,69,200	10	10	Cash	Preferential Allotment <sup>(3)</sup>	11,25,000	1,12,50,000
July 11, 2000	3,75,000	10	10	Cash	Preferential Allotment <sup>(4)</sup>	15,00,000	1,50,00,000
January 2008	31,80,000	10	50	Cash	Preferential Allotment <sup>(5)</sup>	15,80,000	1,58,00,000
October 2008	31,50,000	10	50	Cash	Preferential Allotment <sup>(6)</sup>	16,30,000	1,63,00,000
January 2009	26,30,000	10	50	Cash	Preferential Allotment <sup>(7)</sup>	16,60,000	1,66,00,000
May 18, 2009	20,000	10	50	Cash	Preferential Allotment <sup>(8)</sup>	16,80,000	1,68,00,000
June 15, 2010	13,20,000	10	10	Cash	Preferential Allotment <sup>(9)</sup>	30,00,000	3,00,00,000
March 31, 2014	1,00,000	10	30	Cash	Preferential Allotment <sup>(10)</sup>	31,00,000	3,10,00,000
October 2014	14,2,65,000	10	30	Cash	Rights Issue <sup>(11)</sup>	33,65,000	3,36,50,000
March 29, 2016	1,85,000	10	10	Cash	Rights Issue <sup>(12)</sup>	35,50,000	3,55,00,000
March 20, 2018	4,99,999	10	54	Cash	Rights Issue <sup>(13)</sup>	40,49,999	4,04,99,990
September 2018	28,24,29,999	10	-	Consideration other than cash	Bonus Issue <sup>(14)</sup>	64,79,998	6,47,99,980
April 24, 2019	64,79,998	10	-	Consideration other than Cash	Bonus Issue <sup>(15)</sup>	1,29,59,996	12,95,99,960
July 01, 2019	8,72,000	10	25	Cash	Preferential Allotment <sup>(16)</sup>	1,38,31,996	13,83,19,960
March 21, 2020	8,62,290	10	25	Cash	Rights Issue <sup>(17)</sup>	1,46,94,286	14,69,42,860

\*Date of incorporation of our Company is June 18, 1999.

- (1) Subscription of to the MOA for the total of 200 Equity Shares by Sumer Raj Lodha (100 Equity Shares) and Nirmala Lodha (100 Equity Shares).
- (2) Preferential Allotment of a total of 7,55,600 Equity Shares to Sumer Raj Lodha (4,69,100 Equity Shares) and Nirmala Lodha (2,86,500 Equity Shares).
- (3) Preferential Allotment of a total of 3,69,200 Equity Shares Sumer Raj Lodha (1,51,200 Equity Shares) and Nirmala Lodha (2,18,000 Equity Shares).
- (4) Preferential Allotment of a total of 3,75,000 Equity Shares to Shares Sumer Raj Lodha (1,25,090 Equity Shares), Nirmala Lodha (2,00,000 Equity Shares) and Shrikul Investment Private Limited (49,910 Equity Shares).
- (5) Preferential Allotment of a total of 80,000 Equity Shares to Rang Udhog Investments Private Limited (20,000 Equity Shares), Shelja Finlease Private Limited (20,000 Equity Shares) and Chopra Yarns Private Limited (40,000 Equity Shares).
- (6) Preferential Allotment of a total of 50,000 Equity Shares to Chopra Yarns Private Limited (30,000 Equity Shares) and Grin BPO Services Private Limited (20,000 Equity Shares).

- (7) Preferential Allotment of a total of 30,000 Equity Shares to Mahendra Ashwin Shah (10,000 Equity Shares), Genus Commu-Trade Limited (10,000 Equity Shares) and Arcadia Mercantile Capital Limited (10,000 Equity Shares).
- (8) Preferential Allotment of a total of 20,000 Equity Shares to Adeshwar Cotton Industries Limited.
- (9) Preferential Allotment of a total of 13,20,000 Equity Shares to Sumer Raj Lodha (20,000 Equity Shares), Nirmala Lodha (9,00,000 Equity Shares) and Abhishek Sumerraj Lodha (4,00,000 Equity Shares).
- (10) Preferential Allotment of a total of 1,00,000 Equity Shares to VP Builders Private Limited (50,000 Equity Shares), and Pankaj Buildtrades Private Limited (50,000 Equity Shares).
- (11) Rights Issue of a total of 2,65,000 Equity Shares to Nipul Tradelinks Private Limited (1,32,600 Equity Shares), Ratnakar Enterprises Private Limited (66,200 Equity Shares) and Suramya Tradelinks Private Limited (66,200 Equity Shares).
- (12) Rights Issue of a total of 1,85,000 Equity Shares to Shradha Abhishek Lodha.
- (13) Rights Issue of a total of 4,99,999 Equity Shares to Sumer Raj Lodha (2,59,259 Equity Shares), Nirmala Lodha (1,11,111 Equity Shares), Abhishek Sumerraj Lodha (92,592 Equity Shares), Sumer Raj Lodha and Sons HUF (37,037 Equity Shares).
- (14) Bonus Issue of a total of 24,29,999 Equity Shares in the ratio of 06 Equity Share for every 10 Equity Shares held to Sumer Raj Lodha (7,05,275 Equity Shares), Nirmala Lodha (10,30,447 Equity Shares), Abhishek Sumerraj Lodha (4,61,275 Equity Shares), Sumer Raj Lodha and Sons HUF (61,942 Equity Shares), Shradha Abhishek Lodha (1,41,000 Equity Shares), Chartered Logistics Limited (60 Equity Shares) and Abhishek Lodha and Sons (HUF) (30,000 Equity Shares).
- (15) Bonus Issue of a total of 64,79,998 Equity Shares in the ratio of 01 Equity Share for every 01 Equity Share held to Sumer Raj Lodha (18,80,734 Equity Shares), Nirmala Lodha (27,47,858 Equity Shares), Abhishek Sumerraj Lodha (12,30,067 Equity Shares), Sumer Raj Lodha and Sons HUF (1,65,179 Equity Shares), Shradha Abhishek Lodha (3,76,000 Equity Shares), Chartered Logistics Limited (160 Equity Shares) and Abhishek Lodha and Sons (HUF) (80,000 Equity Shares).
- (16) Preferential Allotment of a total of 8,72,000 Equity Shares to Shyam Lal Bothra (1,00,000 Equity Shares), Lila Devi Bothra (1,00,000 Equity Shares), Kalpvruux Converting Products Private Limited (20,000 Equity Shares), Amisha Shethia (20,000 Equity Shares), Falguni Mehta (20,000 Equity Shares), Sunnybhai Patel (8,000 Equity Shares), Archita Bhansali (20,000 Equity Shares), Jagdish Dharamchand Ranka HUF (40,000 Equity Shares), Prakash Dharamchandji Ranka HUF (40,000 Equity Shares), Sejalben Patel (5,000 Equity Shares), Rakeshbhai Patel (5,000 Equity Shares), Ritaben Patel (5,000 Equity Shares), Riddhi Shrimanker (40,000 Equity Shares), Shilapaben Shrimankar (40,000 Equity Shares), Shyam Kumbhat (1,00,000 Equity Shares), Darshna Raval (4,000 Equity Shares), Urmila Shah (16,000 Equity Shares), Aruna Mehta (8,000 Equity Shares), Darshan Shah (4,000 Equity Shares), Kunal Agrawal (20,000 Equity Shares), D&A Financial Services Private Limited (52,000 Equity Shares), Rekha Doogar (28,000 Equity Shares), Jyotsana Tank (4,000 Equity Shares), Ashish Bhandari (8,000 Equity Shares), Kriti Roy (4,000 Equity Shares), Disha Doogar (20,000 Equity Shares), Atul Patel (5,000 Equity Shares), Ketanbhai Patel (20,000 Equity Shares), Raghav Tradelink Private Limited (20,000 Equity Shares), Pinky Desai (6,000 Equity Shares), Bharat Meghani (40,000 Equity Shares), Ganpat Bhansali (10,000 Equity Shares) and Harish Rathod (40,000 Equity Shares).
- (17) Rights Issue of a total of 8,62,290 Equity Shares to Sumer Raj Lodha (2,82,720 Equity Shares), Nirmala Lodha (1,49,385 Equity Shares), Abhishek Sumerraj Lodha (1,76,080 Equity Shares), Sumer Raj Lodha and Sons HUF (2,54,105 Equity Shares).

## 2. Preference Share capital history of our Company

Our Company does not have any preference share capital as on the date of this Draft Red Herring Prospectus.

## 3. Issue of equity shares for consideration other than cash or out of revaluation reserves and through Bonus Issue:

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

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue Price	Nature of allotment	Benefit accrued to our Company	Source out of which Bonus Shares Issued
September 28, 2018	24,29,999	10	-	Bonus issue in the ratio of 06 Equity Shares issued for every 10 Equity Shares held by the existing Equity Shareholders authorised by our Board, pursuant to a resolution passed at its meeting held on August 13, 2018 and by our Shareholders pursuant to a resolution passed at the AGM held on August 29, 2018. <sup>(1)</sup>	-	Bonus Issued out of General Reserves

<b>Date of allotment</b>	<b>Number of Equity Shares allotted</b>	<b>Face value (₹)</b>	<b>Issue Price</b>	<b>Nature of allotment</b>	<b>Benefit accrued to our Company</b>	<b>Source out of which Bonus Shares Issued</b>
April 24, 2019	64,79,998	10	-	Bonus issue in the ratio of 01 Equity Share issued for every 01 Equity Share held by the existing Equity Shareholders authorised by our Board, pursuant to a resolution passed at its meeting held on April 24, 2019 and by our Shareholders pursuant to a resolution passed at the EGM held on April 24, 2019. <sup>(1)</sup>	-	Bonus Issued out of General Reserves

*(1) For list of allottees see note (14) of paragraph titled "History of Share capital of our Company" mentioned above.*

*(2) For the list of allottees see note (15) of paragraph titled "History of Share capital of our Company" mentioned above.*

- As of date of this Draft Red Herring Prospectus, our Company has not undertaken a bonus issue by capitalizing its revaluation reserves.
4. As of date of this Draft Red Herring Prospectus, our Company has not allotted Equity Shares pursuant to any scheme approved under sections 391-394 of the Companies Act, 1956 and/or sections 230-232 of the Companies Act, 2013.
  5. Our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.
  6. Our Company has not issued any Equity Shares at a price lower than the Issue Price during a period of the one year preceding the date of this Draft Red Herring Prospectus.



## 7. Shareholding Pattern of our Company

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

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid-up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (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)	Shareholding as a % assuming full conversion of convertible securities No. (a)	No. of locked-in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								Class (Equity)	Total	Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Promoters and Promoter Group	08	1,39,51,966	-	-	1,39,51,966	94.96	1,39,51,966	1,39,51,966	94.96	-	94.96	-	-	-	-	1,39,51,966
(B)	Public	30	7,42,320	-	-	7,42,320	5.04	7,42,320	7,42,320	5.04	-	5.04	-	-	-	-	7,42,320
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>		<b>38</b>	<b>1,46,94,286</b>	<b>-</b>	<b>-</b>	<b>1,46,94,286</b>	<b>100.00</b>	<b>1,46,94,286</b>	<b>1,46,94,286</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,46,94,286</b>

*Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one (1) day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the website of Stock Exchanges before commencement of trading of such Equity Shares. The Equity Shares held by our Promoters and members of our Promoter Group are in dematerialized form.*

**i. Other details of shareholding of our Company:**

- a) Particulars of the shareholders holding 1% or more of the paid-up share capital of our Company aggregating to 80% or more of the paid-up share capital and the number of shares held by them as on the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholders	No. of Equity Shares	% of Pre-Issue Equity Share Capital
1.	Nirmala Lodha	56,51,101	38.46
2.	Sumer Raj Lodha	40,46,188	27.54
3.	Abhishek Lodha	26,40,214	17.97
4.	Sharadha Lodha	7,60,000	5.17
5.	Sumer Raj Lodha and Sons (HUF)	5,84,463	3.98
6.	Abhishek Lodha and Sons (HUF)	1,60,000	1.09
<b>Total</b>		<b>1,38,41,966</b>	<b>94.20</b>

- b) None of the shareholders of our Company holding 1% or more of the paid-up capital of the Company as on the date of the filing of the Draft Red Herring Prospectus are entitled to any Equity Shares upon exercise of warrant, option or right to convert a debenture, loan or other instrument.

- c) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them two (02) years prior to filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholders	No. of Equity Shares	% of Pre-Issue Equity Share Capital
1.	Nirmala Lodha	54,95,716	39.93
2.	Sumer Raj Lodha	37,61,468	27.19
3.	Abhishek Lodha	24,60,134	17.79
4.	Sharadha Lodha	7,52,000	5.44
5.	Sumer Raj Lodha and Sons (HUF)	3,30,358	2.39
6.	Abhishek Lodha and Sons (HUF)	1,60,000	1.16
<b>Total</b>		<b>1,29,59,676</b>	<b>93.69</b>

- d) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them one (01) year from the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholders	No. of Equity Shares	% of Pre-Issue Equity Share Capital
1.	Nirmala Lodha	56,49,101	38.44
2.	Sumer Raj Lodha	40,44,188	27.52
3.	Abhishek Lodha	26,40,214	17.97
4.	Sharadha Lodha	7,60,000	5.17
5.	Sumer Raj Lodha and Sons (HUF)	5,84,463	3.98
6.	Abhishek Lodha and Sons (HUF)	1,60,000	1.09
<b>Total</b>		<b>1,38,37,966</b>	<b>94.17</b>

- e) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them ten days prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholders	No. of Equity Shares	% of Pre-Issue Equity Share Capital
1.	Nirmala Lodha	56,51,101	38.46
2.	Sumer Raj Lodha	40,46,188	27.54
3.	Abhishek Lodha	26,40,214	17.97
4.	Sharadha Lodha	7,60,000	5.17
5.	Sumer Raj Lodha and Sons (HUF)	5,84,463	3.98
6.	Abhishek Lodha and Sons (HUF)	1,60,000	1.09
<b>Total</b>		<b>1,38,41,966</b>	<b>94.20</b>

- f) Our Company has not made any initial public offer of its Equity Shares or any convertible securities during the preceding 02 (two) years from the date of this Draft Red Herring Prospectus.
8. Our Company does not have any intention or proposal to alter its capital structure within a period of six (06) months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares whether preferential or bonus, rights or further public issue basis. 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.

#### 9. Details of Build-up of our Promoter's shareholding:

As on the date of this Draft Red Herring Prospectus, the Promoters of our Company, hold 1,23,37,503 Equity Shares, constituting 83.96% of the issued, subscribed and paid-up Equity Share capital of our Company and none of the Equity Shares held by the Promoters are subject to any pledge.

Set forth below are the details of the build – up of our Promoters' shareholding in our Company since incorporation:

##### a) Sumer Raj Lodha:

Date of Allotment / transfer and Date when made fully paid-up	Nature of transaction	Number of Equity Shares	Face value per Equity Share (in ₹)	Issue / transfer price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	Cumulative number of Equity Shares	% of pre issue capital	% of post issue capital
On Incorporation	Subscription to MOA	100	10	10	Cash	100	Negligible	[●]
March 13, 2000	Preferential Allotment	4,69,100	10	10	Cash	4,69,200	3.19	[●]
May 13, 2000	Preferential Allotment	1,51,200	10	10	Cash	6,20,400	1.03	[●]
July 11, 2000	Preferential Allotment	1,25,090	10	10	Cash	7,45,490	0.85	[●]
November 17, 2000	Transfer to Shripal Sudh Raj Lodha*	(50,000)	10	10	Cash	6,95,490	(0.34)	[●]
March 15, 2001	Transfer to Shripal Sudh Raj Lodha*	(25,000)	10	10	Cash	6,45,490	(0.17)	[●]
March 31, 2001	Transfer to Charter Carrier Limited*	(100)	10	10	Cash	6,20,490	(Negligible)	[●]
October 31, 2001	Transfer to Jagdish Prashad Sharma*	(15,000)	10	10	Cash	6,20,390	(0.1)	[●]
	Transfer to Ram Prashad Jamna Lal Porwal*	(20,000)	10	10	Cash	6,05,390	(0.14)	[●]
	Transfer to Rambabu C Vijay*	(20,000)	10	10	Cash	5,85,390	(0.14)	[●]
November 17, 2001	Transfer to Sarita Shripal Lodha*	(50,000)	10	10	Cash	5,65,390	(0.34)	[●]
November 30,	Transfer to	(15,000)	10	10	Cash	5,50,390	(0.1)	[●]

Date of Allotment / transfer and Date when made fully paid-up	Nature of transaction	Number of Equity Shares	Face value per Equity Share (in ₹)	Issue / transfer price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	Cumulative number of Equity Shares	% of pre issue capital	% of post issue capital
2001	Ram Roop Narayan Vijay*							
December 31, 2001	Transfer to Paraschand M. Jain*	(30,000)	10	10	Cash	5,20,390	(0.2)	[●]
January 31, 2002	Transfer to Satya Prakash D Sharma*	(20,000)	10	10	Cash	5,00,390	(0.14)	[●]
	Transfer to Bashir Ahemad Khan*	(20,000)	10	10	Cash	4,80,390	(0.14)	[●]
	Transfer to Preeti Shiram Vijay*	(15,000)	10	10	Cash	4,65,390	(0.1)	[●]
	Transfer to Jay Ravindra Singh*	(30,000)	10	10	Cash	4,35,390	(0.2)	[●]
	Transfer to Nandlal K. Jain*	(40,000)	10	10	Cash	3,95,390	(0.27)	[●]
February 28, 2002	Transfer to Asharam K Vijay*	(15,000)	10	10	Cash	3,80,390	(0.1)	[●]
	Transfer to Ram Narayan J. Swami*	(30,000)	10	10	Cash	3,50,390	(0.2)	[●]
	Transfer to Om Prakash S. Pareek*	(20,000)	10	10	Cash	3,30,390	(0.14)	[●]
October 01, 2002	Transfer to Rakhi Prahlad Mathur*	(20,000)	10	10	Cash	3,10,390	(0.14)	[●]
	Transfer to Bahadur Hinglal Dan Singh*	(20,000)	10	10	Cash	2,90,390	(0.14)	[●]
	Transfer to Ram Prashad N. Sharma*	(25,000)	10	10	Cash	2,65,390	(0.17)	[●]
	Transfer to Sayaid Abdul Umrao Ali Rauot*	(20,000)	10	10	Cash	2,45,390	(0.14)	[●]
	Transfer to Anoop Amar Singh*	(20,000)	10	10	Cash	2,25,390	(0.14)	[●]
October 10, 2004	Transfer from Ramvatar J. Porwal*	20,000	10	10	Cash	2,45,390	0.14	[●]
	Transfer from Rambabu C Vijay*	20,000	10	10	Cash	2,65,390	0.14	[●]
	Transfer from Ramroop Narayan	15,000	10	10	Cash	2,80,390	0.1	[●]

Date of Allotment / transfer and Date when made fully paid-up	Nature of transaction	Number of Equity Shares	Face value per Equity Share (in ₹)	Issue / transfer price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	Cumulative number of Equity Shares	% of pre issue capital	% of post issue capital
	Vijay*							
	Transfer from Preeti Shriram	15,000	10	10	Cash	2,95,390	0.1	[●]
	Vijay* Transfer from Rakhi Prahlad Mathur*	20,000	10	10	Cash	3,15,390	0.14	[●]
	Transfer from AngooriRoop Devi*	15,000	10	10	Cash	3,30,390	0.1	[●]
December 01, 2004	Transfer from Sarita Shirpal Lodha*	1,60,000	10	10	Cash	4,90,390	1.09	[●]
	Transfer from Shirpal Lodha*	75,000	10	10	Cash	5,65,390	0.51	[●]
May 31, 2005	Transfer from Nirmala Lodha*	1,29,600	10	10	Cash	6,94,990	0.88	[●]
	Transfer from Shikul Investment Private Limited*	49,910	10	10	Cash	7,44,900	0.34	[●]
	Transfer from Bashir Ahemad Khan*	40,000	10	10	Cash	7,84,900	0.27	[●]
June 30, 2005	Transfer from Ganshyam Chitarmal Vijay*	15,000	10	10	Cash	7,99,900	0.1	[●]
	Transfer from Paraschand M. Jain*	30,000	10	10	Cash	8,29,900	0.2	[●]
June 15, 2010	Preferential Allotment	20,000	10	10	Cash	8,49,900	0.14	[●]
January 11, 2018	Transfer from Girish Mohanbhai Vaghela	22,100	10	10	Cash	8,72,000	0.15	[●]
	Transfer from Chirjlal Bhimaji Barot	22,100	10	10	Cash	8,94,100	0.15	[●]
	Transfer from Tarang Jesingbhai Bhadarka	22,100	10	10	Cash	9,16,200	0.15	[●]
March 20, 2018	Rights Issue	2,59,259	10	54	Cash	11,75,459	1.76	[●]
September 28, 2018	Bonus Issue	7,05,275	10	-	Consideration other than Cash	18,80,734	4.8	[●]
April 24, 2019	Bonus Issue	18,80,734	10	-	Consideration other than Cash	37,61,468	12.8	[●]

Date of Allotment / transfer and Date when made fully paid-up	Nature of transaction	Number of Equity Shares	Face value per Equity Share (in ₹)	Issue / transfer price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	Cumulative number of Equity Shares	% of pre issue capital	% of post issue capital
March 21, 2020	Rights Issue	2,82,720	10	25	Cash	40,44,188	1.92	[●]
October 19, 2020	Transfer from Darshan Shah	2,000	10	26.50	Cash	40,46,188	0.01	[●]
<b>Total</b>						<b>40,46,188</b>	<b>27.54</b>	

\*We have not been able to source the relevant bank statements for the amount transferred by or to our Promoter for this share transfer. Therefore, we have relied on share transfer forms and the statutory registers maintained by our Company to verify the validity of the same. For risks relating to the same, please refer to the "Risk Factor Number 30: "Certain records and regulatory filings of our Company and certain bank statements of our Promoters are not traceable"" in the chapter titled "Risk Factors" at page 42 of this Draft Red Herring Prospectus.

#### b) Nirmala Lodha

Date of Allotment / transfer and Date when made fully paid-up	Nature of transaction	Number of Equity Shares	Face value per Equity Share (in ₹)	Issue / transfer price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	Cumulative number of Equity Shares	% of pre issue capital	% of post issue capital
On Incorporation	Subscription to MOA	100	10	10	Cash	100	Negligible	[●]
March 13, 2000	Preferential Allotment	2,86,500	10	10	Cash	2,86,600	1.95	[●]
May 13, 2000	Preferential Allotment	2,18,000	10	10	Cash	5,04,600	1.48	[●]
July 11, 2000	Preferential Allotment	2,00,000	10	10	Cash	7,04,600	1.36	[●]
March 08, 2001	Transfer to Naresh S. Bothara*	(50,000)	10	10	Cash	6,54,600	(0.34)	[●]
November 17, 2000	Transfer to Abhishek Sumerraj Lodha*	(1,70,000)	10	10	Cash	4,84,600	(1.16)	[●]
	Transfer to Swati Sumerraj Lodha*	(40,000)	10	10	Cash	4,44,600	(0.27)	[●]
	Transfer to Sarita Shiripal Lodha*	(1,10,000)	10	10	Cash	3,34,600	(0.75)	[●]
	Transfer to Chandrakant M. Jain*	(20,000)	10	10	Cash	3,14,600	(0.14)	[●]
	Transfer to Chandrakant S. Bohra*	(20,000)	10	10	Cash	2,94,600	(0.14)	[●]
	Transfer to Madhukumar Jain*	(10,000)	10	10	Cash	2,84,600	(0.07)	[●]

Date of Allotment / transfer and Date when made fully paid-up	Nature of transaction	Number of Equity Shares	Face value per Equity Share (in ₹)	Issue / transfer price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	Cumulative number of Equity Shares	% of pre issue capital	% of post issue capital
	Transfer to Mangla S. Jain*	(15,000)	10	10	Cash	2,69,600	(0.1)	[●]
	Transfer to Sushil M. Jain*	(10,000)	10	10	Cash	2,59,600	(0.07)	[●]
	Transfer to Manoj S. Bohra*	(50,000)	10	10	Cash	2,09,600	(0.34)	[●]
	Transfer to Manisha A. Jain*	(5,000)	10	10	Cash	2,04,600	(0.03)	[●]
October 31, 2001	Transfer to Ramprasad Narayan Sharma*	(15,000)	10	10	Cash	1,89,600	(0.1)	[●]
	Transfer to Jagdish Prashad Sharma*	(15,000)	10	10	Cash	1,74,600	(0.1)	[●]
November 30, 2001	Transfer to Ghansyam Chitarmal Vijay*	(15,000)	10	10	Cash	1,59,600	(0.1)	[●]
January 31, 2002	Transfer to Bashir Ahemad Khan*	(20,000)	10	10	Cash	1,39,600	(0.14)	[●]
February 28, 2002	Transfer to Asharam Vijay*	(10,000)	10	10	Cash	1,29,600	(0.07)	[●]
December 01, 2004	Transfer from Ram Prasad N. Sharma*	50,000	10	10	Cash	1,79,600	0.34	[●]
May 31, 2005	Transfer to Sumer Raj Lodha*	(1,29,600)	10	10	Cash	50,000	(0.88)	[●]
	Transfer from Bahadur H. Singh*	20,000	10	10	Cash	70,000	0.14	[●]
	Transfer from Asharam K Vijay*	25,000	10	10	Cash	95,000	0.17	[●]
	Transfer from Jagdish Prashad C. Sharma*	30,000	10	10	Cash	1,25,000	0.2	[●]
	Transfer from Ram Narayan J. Swami*	30,000	10	10	Cash	1,55,000	0.2	[●]
	Transfer from Mohammed Abdul Rashid*	15,000	10	10	Cash	1,70,000	0.1	[●]
	Transfer from Om Prakash S. Pareek*	20,000	10	10	Cash	1,90,000	0.14	[●]
	Transfer from	20,000	10	10	Cash	2,10,000	0.14	[●]

Date of Allotment / transfer and Date when made fully paid-up	Nature of transaction	Number of Equity Shares	Face value per Equity Share (in ₹)	Issue / transfer price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	Cumulative number of Equity Shares	% of pre issue capital	% of post issue capital
	Ramsweroop L. Teeli*							
	Transfer from Saiyad Abdul Umrao Ali Raoof*	20,000	10	10	Cash	2,30,000	0.14	[●]
	Transfer from Nandlal K. Jain*	40,000	10	10	Cash	2,70,000	0.27	[●]
	Transfer from Anoop Amar Singh*	20,000	10	10	Cash	2,90,000	0.14	[●]
June 30, 2005	Transfer from Prahlad Sai*	20,000	10	10	Cash	3,10,000	0.14	[●]
	Transfer from Jai Ravindra Singh*	30,000	10	10	Cash	3,40,000	0.2	[●]
	Transfer from Satya Prakash D Sharma*	20,000	10	10	Cash	3,60,000	0.14	[●]
June 15, 2010	Preferential Allotment	9,00,000	10	10	Cash	12,60,000	6.12	[●]
September 01, 2010	Transfer from Shelja Finlease Private Limited	20,000	10	05	Cash	12,80,000	0.14	[●]
	Transfer from Chopra Yarns Private Limited	70,000	10	05	Cash	13,50,000	0.48	[●]
	Transfer from Rang Udhyrang Udhyod Investment	20,000	10	05	Cash	13,70,000	0.14	[●]
	Transfer from Grin BPO Services Private Limited	20,000	10	05	Cash	13,90,000	0.14	[●]
	Transfer from Mahendra Ashwin Shah	10,000	10	05	Cash	14,00,000	0.07	[●]
	Transfer from Genus Commu-Trade Limited	10,000	10	05	Cash	14,10,000	0.07	[●]
	Transfer from Arcadia Mercantile Capital Limited	10,000	10	05	Cash	14,20,000	0.07	[●]
	Transfer from Adeshwar Cotton Industries	20,000	10	05	Cash	14,40,000	0.14	[●]



Date of Allotment / transfer and Date when made fully paid-up	Nature of transaction	Number of Equity Shares	Face value per Equity Share (in ₹)	Issue/ transfer price per Equity Share (in ₹)	Nature of consideration (cash/ other than cash)	Cumulative number of Equity Shares	% of pre issue capital	% of post issue capital
	Limited							
December 27, 2017	Transfer from Bothra Enterprises	100	10	10	Cash	14,40,100	Negligible	[●]
	Transfer from Bothra Tea Company	100	10	10	Cash	14,40,200	Negligible	[●]
	Gift from Lela Devi	99,800	10	-	Gift	15,40,000	0.68	[●]
January 11, 2018	Transfer from Rajubhai Kantibhai Parmar	22,100	10	10	Cash	15,62,100	0.15	[●]
	Transfer from Mohit A. Parmar	22,100	10	10	Cash	15,84,200	0.15	[●]
	Transfer from Pradip N. Vegda	22,100	10	10	Cash	16,06,300	0.15	[●]
March 20, 2018	Rights Issue	1,11,111	10	54	Cash	17,17,411	0.76	[●]
September 28, 2018	Bonus Issue	10,30,447	10	-	Consideration other than Cash	27,47,858	7.01	[●]
April 24, 2019	Bonus Issue	27,47,858	10	-	Consideration other than Cash	54,95,716	18.7	[●]
March 21, 2020	Rights Issue	1,49,385	10	25	Cash	56,45,101	1.02	[●]
August 04, 2020	Transfer from Urmila Shah	4000	10	26.50	Cash	56,49,101	0.03	[●]
October 19, 2020	Transfer from Darshan Shah	2,000	10	26.50	Cash	56,51,101	0.01	[●]
	<b>Total</b>	<b>56,51,101</b>					<b>38.46</b>	

\*We have not been able to source the relevant bank statements for the amount transferred by or to our Promoter for this share transfer. Therefore, we have relied on share transfer forms and the statutory registers maintained by our Company to verify the validity of the same. For risks relating to the same, please refer to the "Risk Factor Number 30: "Certain records and regulatory filings of our Company and certain bank statements of our Promoters are not traceable"" in the chapter titled "Risk Factors" at page 42 of this Draft Red Herring Prospectus.

#### c) Abhishek Sumerraj Lodha

Date of Allotment / transfer and Date when made fully paid-up	Nature of transaction	Number of Equity Shares	Face value per Equity Share (in ₹)	Issue/ transfer price per Equity Share (in ₹)	Nature of consideration (cash/ other than cash)	Cumulative number of Equity Shares	% of pre issue capital	% of post issue capital
June 15, 2010	Preferential Allotment	4,00,000	10	10	Cash	4,00,000	2.72	[●]
November 17, 2000	Transfer from Nirmala Lodha*	1,70,000	10	10	Cash	5,70,000	1.16	[●]
July 15, 2013	Transfer from Swati Lodha*	4,000	10	10	Cash	6,10,000	0.27	[●]

Date of Allotment / transfer and Date when made fully paid-up	Nature of transaction	Number of Equity Shares	Face value per Equity Share (in ₹)	Issue/ transfer price per Equity Share (in ₹)	Nature of consideration (cash/ other than cash)	Cumulative number of Equity Shares	% of pre issue capital	% of post issue capital
January 11, 2018	Transfer from Dinesh Keshavlal Chauhan	22,000	10	10	Cash	6,32,000	0.15	[●]
	Transfer from Rakesh T. Vaghela	22,200	10	10	Cash	6,54,200	0.15	[●]
	Transfer from Jigar Ishvarbhai Chauhan	22,000	10	10	Cash	6,76,200	0.15	[●]
March 20, 2018	Rights Issue	92,592	10	54	Cash	7,68,792	0.63	[●]
September 28, 2018	Bonus Issue	4,61,275	10	-	Consideration other than Cash	12,30,067	3.14	[●]
April 24, 2019	Bonus Issue	12,30,067	10	-	Consideration other than Cash	24,60,134	8.37	[●]
March 21, 2020	Rights Issue	1,76,080	10	25	Cash	26,36,214	1.2	[●]
July 30, 2020	Transfer from Urmila Shah	4,000	10	26.50	Cash	26,40,214	0.03	[●]
	<b>Total</b>	<b>26,40,214</b>					<b>17.97</b>	<b>[●]</b>

\*We have not been able to source the relevant bank statements for the amount transferred by or to our Promoter for this share transfer. Therefore, we have relied on share transfer forms and the statutory registers maintained by our Company to verify the validity of the same. For risks relating to the same, please refer to the "Risk Factor Number 30: "Certain records and regulatory filings of our Company and certain bank statements of our Promoters are not traceable"" in the chapter titled "Risk Factors" at page 42 of this Draft Red Herring Prospectus.

10. As on the date of the Draft Red Herring Prospectus, the Company has 38 (thirty eight) members/shareholders.

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

Sr. No.	Name of the Shareholders	Pre-Issue		Post Issue	
		Number of Equity Shares	% of Pre-Issue Equity Share Capital		
1.	Sumer Raj Lodha	40,46,188	27.54	[●]	[●]
2.	Nirmala Lodha	56,51,101	38.46	[●]	[●]
3.	Abhishek Sumerraj Lodha	26,40,214	17.97	[●]	[●]
4.	Shradha Abhishek Lodha	7,60,000	5.17	[●]	[●]
5.	Sumer Raj Lodha and Sons (HUF)	5,84,463	3.98	[●]	[●]
6.	Abhishek Lodha and Sons (HUF)	1,60,000	1.09	[●]	[●]
7.	Lila Devi Bothra	1,00,000	0.68	[●]	[●]
8.	Ganpat Bhansali	10,000	0.07	[●]	[●]
	<b>Total</b>	<b>1,39,51,966</b>	<b>94.96</b>	<b>[●]</b>	<b>[●]</b>

12. The Promoter, Promoter Group, Directors of our Company and their relatives have not undertaken purchase or sale transactions in the Equity Shares of our Company, during a period of six (06) months preceding the date on which this Draft Red Herring Prospectus is filed with SEBI.

13. There are no financing arrangements wherein the Promoters, Promoter Group, 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 (06) months immediately preceding the date of filing of the Draft Red Herring Prospectus.

#### 14. Details of Promoters' contribution locked in for three years.

Pursuant to Regulation 14 and 16 of the SEBI (ICDR) Regulations, an aggregate of 20.00% of the fully diluted post-Issue capital of our Company held by the Promoters shall be locked in for a period of three years from the date of Allotment (“**Minimum Promoter’ Contribution**”), and the Promoters’ shareholding in excess of 20% of the fully diluted post-Issue Equity Share capital shall be locked in for a period of one year from the date of Allotment.

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

Following are the details of Minimum Promoter’s Contribution:

Number of Equity Shares locked-in <sup>*(1)(2)(3)</sup>	Nature of Allotment / Transfer	Date of Allotment and Date when made fully paid-up	Face value (in ₹)	Issue / Acquisition Price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	% of fully diluted post- Issue paid-up capital	Period of lock-in
<b>Sumer Raj Lodha</b>							
[•]	[•]	[•]	[•]	[•]	[•]	[•]	3 years
<b>SUB-TOTAL</b>						[•]	
<b>Nirmala Lodha</b>							
[•]	[•]	[•]	[•]	[•]	[•]	[•]	3 years
<b>SUB-TOTAL</b>						[•]	
<b>Abhishek Sumerraj Lodha</b>							
[•]	[•]	[•]	[•]	[•]	[•]	[•]	3 years
<b>SUB-TOTAL</b>						[•]	
<b>TOTAL</b>		[•]				[•]	3 years

\* Subject to finalisation of Basis of Allotment.

(1) For a period of three years from the date of allotment.

(2) All Equity Shares have been fully paid-up at the time of allotment.

(3) All Equity Shares held by our Promoters are in dematerialized form.

For details on the build-up of the Equity Share capital held by our Promoters, see “*Details of the Build-up of our Promoters’ shareholding*” on page 82.

The Promoter’s Contribution has been brought to the extent of not less than the specified minimum lot and from persons defined as ‘promoter’ under the SEBI (ICDR) Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoter’ Contribution under Regulation 15 of the SEBI (ICDR) Regulations. In this computation, as per Regulation 15 of the SEBI (ICDR) Regulations, our Company confirms that the Equity Shares which are being locked-in do not, and shall not, consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets
- Equity Shares resulting from bonus issue by utilization of revaluations reserves or unrealized profits of the Company or from bonus issue against Equity Shares which are otherwise ineligible for minimum promoters’ contribution;
- Equity Shares acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- Equity Shares issued to the Promoters upon conversion of a partnership firm;

- Equity Shares held by the Promoters that are subject to any pledge; and
- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the Promoters' Contribution subject to lock-in.

Our Company has not been formed by the conversion of a partnership firm into a company in the past one year and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm in the past one year. All the Equity Shares held by the Promoters and the members of the Promoter Group are held in dematerialized form.

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

Other than the Equity Shares locked-in as Promoter's Contribution for a period of three years as stated in the table above, the entire pre-Issue capital of our Company, including the excess of minimum Promoter' Contribution, as per Regulation 16 (1) (b) and 17 of the SEBI (ICDR) Regulations, shall be locked in for a period of one year from the date of Allotment of Equity Shares in the Issue. Such lock – in of the Equity Shares would be created as per the bye laws of the Depositories.

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

In terms of Regulation 22 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be Transfer to any other person holding the Equity Shares which are locked-in as per Regulation 17 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code as applicable.

In terms of Regulation 22 of the SEBI (ICDR) Regulations, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 16 (1) of the SEBI (ICDR) Regulations, may be Transfer to and amongst Promoters / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Takeover Code, as applicable.

In terms of Regulation 21(a) of the SEBI (ICDR) Regulations, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or financial institutions, provided that such loans have been granted for the purpose of financing one or more of the objects of the Issue and pledge of the Equity Shares is a term of sanction of such loans.

In terms of Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by the Promoters which are locked-in for a period of one year from the date of allotment may be pledged only with scheduled commercial banks, public financial institutions, systemically important non-banking finance companies or housing finance companies as collateral security for loans granted by such entities, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans;

An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Issue as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased so as to ensure that 20% of the Post Issue paid-up capital is locked in for 3 years.

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

In terms of Schedule XIII of the SEBI ICDR Regulations, the Equity Shares, if any, allotted to Anchor Investors shall be locked in for a period of 30 days from the date of Allotment of such Equity Shares.

15. Our Company, our Promoter, our Directors and the BRLM have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Issue.

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

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Number of Equity Shares</b>	<b>% of the pre-Issue Equity Share Capital</b>
1.	Sumer Raj Lodha	40,46,188	27.54
2.	Nirmala Lodha	56,51,101	38.46
3.	Abhishek Sumerraj Lodha	26,40,214	17.97
4.	Ashish Bhandari	8,000	0.05

27. Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Issue.

## OBJECTS OF THE ISSUE

We intend to utilize the Proceeds of the Issue, after deducting the Issue related expenses, as estimated to be ₹ [●] lacs (the “**Net Proceeds**”).

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

1. Repayment or prepayment of unsecured loans availed from Sumer Raj Lodha, Nirmala Lodha and Abhishek Sumerraj Lodha, the Promoters of our Company;
2. Expansion of our manufacturing facility situated at Timba, Gujarat;
3. General Corporate Purposes.

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

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enable us 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 of Association.

Additionally, we believe that the listing of Equity Shares will enhance our Company’s corporate image, brand name and create a public market for our Equity Shares in India.

### Issue Proceeds

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

Particulars	Estimated amount <sup>(1)</sup>
Gross Proceeds from the Issue	3,600
(Less) Issue related expenses	[●]
<b>Net Proceeds</b>	<b>[●]</b>

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

### Requirement of Funds and Utilization of Net Proceeds

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

Sr. No.	Particulars	Estimated amount
1.	Repayment or prepayment of unsecured loans availed from Sumer Raj Lodha, Nirmala Lodha and Abhishek Sumerraj Lodha, the Promoters of our Company	300
2.	Expansion of our manufacturing facility situated at Timba, Gujarat	2,175
3.	General corporate purposes <sup>(1)</sup>	[●]

<sup>(1)</sup>To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

### Schedule of implementation

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

Sr. No.	Particulars	Total Estimated Cost	Amount to be funded from the Net Proceeds	Amount to be funded from internal accruals	Estimated Utilisation of Net Proceeds
Fiscal 2022					
1.	Repayment or prepayment of unsecured loans availed from Sumer Raj Lodha, Nirmala Lodha and Abhishek Sumerraj Lodha, the Promoters of our Company	300.00	300.00	Nil	300.00
2.	Expansion of manufacturing facilities situated at Timba, Gujarat	2,309.61	2,175.00	134.61	2,175.00

Sr. No.	Particulars	Total Estimated Cost	Amount to be funded from the Net Proceeds	Amount to be funded from internal accruals	Estimated Utilisation of Net Proceeds
3.	General corporate purposes <sup>#</sup>	[•]	[•]	Nil	[•]

<sup>#</sup>To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

Given the nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions including the COVID-19 pandemic, competitive environment and interest or exchange rate fluctuations, changes in design and configuration of the projects, 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. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose, at the discretion of our management. Subject to applicable law, if the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the gross proceeds from the Issue in accordance with Regulation 7(2) of the SEBI ICDR Regulations.

In case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated costs of the Objects, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the 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. To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects, as per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent Fiscals towards the aforementioned objects.

Since, our Company is not proposing to set up a project with the proceeds of this Issue, we are not required to make firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance.

The fund requirements with respect to the expansion of our manufacturing facilities situated at Timba, Gujarat have been appraised by Care Advisory Research & Training Limited (“CARE”) and are based on the Techno Economic Viability Report (Appraisal Report) released in the month of June 2021 by CARE pursuant to such appraisal. For further details please refer to the heading titled “Appraisal by Appraising Agency” at page 102 of this chapter. The fund requirements with respect to repayment or pre-payment of loans availed from our Promoters are based on our internal management estimates and have not been appraised by any bank or financial institution, therefore are subject to change in the future. These are based on current conditions and are subject to revisions in light of changes in external circumstances or costs, or our financial condition, business or strategy. For further details of factors that may affect these estimates, see “Risk Factors” on page 26.

#### Details of Objects of the Issue

##### ***1. Repayment or prepayment of unsecured loans availed from Sumer Raj Lodha, Nirmala Lodha and Abhishek Sumerraj Lodha, the Promoters of our Company.***

Our Company has availed unsecured loans from Sumer Raj Lodha, Nirmala Lodha and Abhishek Sumerraj Lodha, the Promoters of our Company. Our Company intends to utilize ₹ 300 lakhs of the Net Proceeds towards repayment or prepayment of these unsecured loans. These loans are callable by our Promoter. There are no prepayment penalties for prepayment of such loans. The following table provides details along with the terms on which the unsecured loans have been availed by our Company, as on December 31, 2020, which are proposed to be repaid from the Net Proceeds:-

No.	Name of the lender	Outstanding loans on December 31, 2020 (in Rs. lakhs)	*Purpose	Interest rate (%) p.a.	Proposed repayment or prepayment from Net Proceeds (₹ in lakhs)
1.	Sumer Raj Lodha	218.61	For Capital expenditure and working capital	Nil	125.00
2.	Nirmala Lodha	143.00	For Capital expenditure and working capital	Nil	100.00
3.	Abhishek Sumerraj Lodha	122.06	For Capital expenditure and working capital	Nil	75.00
4.	<b>Total</b>	<b>483.67</b>			<b>300.00</b>

\* The amount outstanding as of December 31, 2020 has been certified by M/s. Bhanwar Jain & Co., Chartered Accountants, our Statutory Auditor by way of their certificate dated June 27, 2021. Further, our Statutory Auditors have confirmed that the above borrowings have been utilized for the purposes for which such borrowings were availed.

Given the nature of these borrowing facilities and the terms of repayment, the aggregate outstanding amounts may vary from time to time. In light of the above, if at the time of filing this Draft Red Herring Prospectus, any of the above- mentioned loans or facilities are repaid in part or full or refinanced, then the table above shall be suitably revised to reflect the revised amounts or loans as the case may be which have been availed by our Company.

In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are prepaid, repaid, redeemed (earlier or scheduled), refinanced or further drawn down prior to the completion of the Issue, we may utilize Net Proceeds towards prepayment and/or repayment of such additional indebtedness availed by us, details of which shall be provided in the Red Herring Prospectus.

Our Promoters shall be deemed to be interested in this Object of the Issue, to the extent of the unsecured loans proposed to be partially repaid or prepaid to them. For risks relating to the same, please refer to “Risk Factor Number: 11 – “A part of the Issue proceeds will be utilized by our Company for repayment or prepayment of unsecured loans availed from our Promoters.”” in the chapter titled “Risk Factors” at page 32 of this Draft Red Herring Prospectus.

### **Means of Finance**

Our Company proposes to meet the entire requirement of funds for this proposed Object of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

### **Other Confirmations**

A part of the proceeds of this Issue shall be utilized to partly repay or prepay the unsecured loans availed by our Company from its Promoters. Therefore a portion of the proceeds of this Issue shall be paid to the Promoters of our Company. For risks relating to the same, please refer to – “Risk Factor Number: 11 – “A part of the Issue proceeds will be utilized by our Company for repayment or prepayment of unsecured loans availed from our Promoters.”” in the chapter titled “Risk Factors” at page 32 of this Draft Red Herring Prospectus.

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

Except as mentioned above, there are no existing or anticipated transactions in relation to the utilization of the Net Proceeds with the Promoters, Directors, Key Managerial Personnel or Group Companies.

## **2. Expansion of manufacturing facilities situated at Timba, Gujarat**

As on March 31, 2021, our total manufacturing capacities are as under:

*All units in MTPA*



Unit Location	Timba
Existing capacity	7,200
Proposed expansion	1,800
Expected capacity	9,000

Our manufacturing facility located at Timba has been set up to manufacture packaging material in roll and pouch form having better suitability to food sector where the laminates are processed through solvent less process, thereby enabling our Company to expand its customer base. This manufacturing unit is also equipped to manufacture three-layer and five-layer co-extruded film and extrusion coating which is experiencing an increase in demand in the packaging industry and therefore is expected to provide a better profitability margin. Our Company foresees an increase in demand of its packaging products and in order to tap the growing market, we intend to enhance the manufacturing facility by 1,800 MTPA to a total of 9,000 MTPA. The cost of setting up of the enhanced production facility includes expenditure towards site development and plant and machinery costs. We confirm that none of the Plant & Machinery and ancillary equipment are second-hand in nature.

### Estimated Costs

A brief description of the estimated cost involved is provided below:

Particulars	Amount
Total estimated project cost (A)	2,309.61
(less) Expenses already incurred as of December 31, 2020 (B)	Not Applicable
Balance amount to be incurred (C) = (A-B)	2,309.61
Amount to be funded from Net Proceeds (D)	2,175.00
Funding required excluding the Net Proceeds (E) = (C- D)	134.61
Funding through internal accruals (F) = (C- D)	134.61
Stated means of finance excluding the Net Proceeds (G) = 75% of (C-D)	Not Applicable
Debt facility (H)	Not Applicable
Equity funding (I)	Not Applicable
Total amount tied up (J+K)	Not Applicable

A break up of the estimated cost involved is set forth below:

The total cost involved in expansion of our existing manufacturing facility situated at Timba has been estimated by our management and is based on the quotations received from third party suppliers and the Appraisal Report of Care Advisory Research & Training Limited released in the months of June 2021 and which has been approved by our Board of Directors in their meeting dated June 30, 2021.

The detailed breakdown of such estimated cost is set forth below.

Particulars	Amount
Plant and Machinery	1,600.00
Civil Works	709.61
<b>Total</b>	<b>2,309.61</b>

**Land:** The capacity enhancement is being set up on the existing premises and no land is proposed to be purchased for the same.

**Location:** The proposed expansion will be carried out at the same location as our existing unit located at: block number 291, 294, 295 and 296, Village Timba, Dascroi, Ahmedabad -382 425, Gujarat, India.

**Plant Machinery, Technology and Process:** The list of Plant and Machinery proposed to be purchased is detailed below:

Sr. No.	Particulars	Units to be purchased	Per Unit Price (₹ lacs)	Total Cost (₹ lacs)	Quotation reference
<i>Domestic Machinery</i>					
1.	Single Coil Slitter – Rewinder				

Sr. No.	Particulars	Units to be purchased	Per Unit Price (₹ lacs)	Total Cost (₹ lacs)	Quotation reference
	<i>Manufactured by:</i> Kalpvrux Converting Products Private Limited				UCPL –UNIT-2/ KCPPL/ 2021/ SL 6000/ 0105/ 15062021
	<i>Model no :</i> Eagle SL 6000_1000 mm.				Date of the quotation : June 15, 2021
	<i>Machine Type:</i> Bi Directional Print Inspection Rewinder				
	<b>Components of Single Coil Slitter – Rewinder:</b>				
a)	Print Inspection Rewinder (Doctoring Machine)	01	63.00	<b>63.00</b>	
	<i>Model No:</i> EAGLE SL 6000				
b)	Edge Trimming System	01	4.95	<b>4.95</b>	
	i. Two Nos. Razor Blade Assembly				
	ii. Groove Roll of 1 mm x 1 mm Blower for Trim Removal				
	iii. Line Guide System				
c)	Trimwinder TW – 1000	01	2.75	<b>2.75</b>	
d)	Silent Blower with canopy – OM Suntronics make	01	5.94	<b>5.94</b>	
e)	Additional tension range upto 35 kg at unwind & rewind with 11 kw servo drives each	01	12.60	<b>12.60</b>	
	<b>Total Cost of Single Coil Slitter – Rewinder</b>			<b>89.24</b>	
<b>2.</b>	<b>Surface Slitter Rewinder Machine (Heavy Duty Model)</b>				
i.	Surface Slitter Rewinder Machine (Heavy Duty Model)	01	19.75	<b>19.75</b>	CTC/QTN/SS/21-22/02
	<i>Manufactured by:</i> C. Trivedi & Co.				Date of the quotation : June 15, 2021
	<i>Machine Type:</i> 2550mm (working width) - (Heavy Duty Model) Drum Type Duplex cum Surface Slitter Rewinder Machine complete with in all accessories.				
ii.	Other Attachments:				
a)	4 Drive Systems with standard AC Motor for above	01	8.75	<b>8.75</b>	
b)	Ultrasonic Web Guide Systems for above	01	3.00	<b>3.00</b>	
c)	Pneumatic System for arm & Nip	01	4.00	<b>4.00</b>	
d)	3" Core Air Shaft Complete for Rewind	01	0.55	<b>0.55</b>	
e)	3" Core Air Shaft Complete for Unwind	01	0.65	<b>0.65</b>	
f)	Safety Chuck System complete for unwind	01	0.80	<b>0.80</b>	
g)	6" Core Air Shaft Complete for Unwind	01	1.25	<b>1.25</b>	
h)	6" Core Air Shaft Complete for Rewind	01	1.20	<b>1.20</b>	
	<b>Total Cost of Surface Slitter Rewinder Machine and other attachments</b>			<b>39.95</b>	
<b>3.</b>	<b>Slitting-Rewinding Machine</b>				

Sr. No.	Particulars	Units to be purchased	Per Unit Price (₹ lacs)	Total Cost (₹ lacs)	Quotation reference
a)	Slitting Rewinding Machine <i>Model no : ZiP Kompact</i>	01	79.20	<b>79.20</b>	KCPPL/ F/MKT/02 /UMA/ 2021/ 0104/ ZSK/ 16062021
b)	Easy zip logic software	01	3.00	<b>3.00</b>	Date of the quotation : June 16, 2021
	<i>Manufactured by:</i> Kalpvru Converting Products Private Limited				
	<i>Machine Type:</i> Duplex Slitting Rewinding Machine				
	<b>Total Cost of Slitting-Rewinding Machine</b>			<b>82.20</b>	
<b>4.</b>	<b>Plastic Recycling Machine</b>				
a)	Plastic Recycling Machine <i>Model Number: AMRP-100</i>	01	11.81	<b>11.81</b>	AE/QT/549/21
b)	Agglomerate-30" <i>Model Number: AEAD-30</i>	01	3.15	<b>3.15</b>	Date of the quotation : June 16, 2021
	<i>Manufactured by:</i> Archana Extrusion Machinery Manufacturing				
	<i>Model no : ZiP Kompact</i>				
	<b>Total Cost of Plastic Recycling Machine</b>			<b>14.96</b>	
<b>5.</b>	<b>Plastic Lumps Making Machine</b>				
a)	Hydraulic Bailing Press Machine Capacity: 20 Ton Pressure Single Chamber Single Cylinder Baler	01	3.50	<b>3.50</b>	AE/QT/553/21
b)	Lumps Making Machine <i>Model Number: AMRP-120</i>	01	8.50	<b>8.50</b>	Date of the quotation : June 16, 2021
	<i>Manufactured by:</i> Archana Extrusion Machinery Manufacturing				
	<b>Total Cost of Plastic Lumps Making Machine</b>			<b>12.00</b>	
	<b>Total Cost</b>			<b>238.35</b>	
	GST (18%)			<b>42.90</b>	
	Transportation, Loading, Unloading and Insurance (3%)			<b>7.15</b>	
	Foundation, Erection and Installation (3%)			<b>7.15</b>	
	Contingencies (2.5%)			<b>5.96</b>	
<b>A.</b>	<b>Total Cost of Domestic Machinery</b>			<b>301.51</b>	
	<i>Imported Machinery</i>				
<b>6.</b>	<b>Simplex SL (Nordmeccanica Laminator)</b>				
	Simplex SL (Nordmeccanica Laminator) <i>Model Number: 1300</i>	01	195.84*	<b>195.84*</b>	2021-496
	<i>Manufactured by:</i> Nordmeccanica S.p.A.				Date of the quotation : June 15, 2021
	<b>Total Cost of Simplex SL (Nordmeccanica Laminator)</b>			<b>195.84*</b>	
<b>7.</b>	<b>Pneumatic Parts Washer (PN 2500 S Plus Atex)</b>				
a)	Pneumatic Washing Unit and Solvent Reclaimer 1 <sup>st</sup> 90 Atex II 3 G PN 2500 S Plus Atex	01	70.56*	<b>70.56*</b>	Offer number: 174M021
	<i>Manufactured by:</i> Italia Sistemi Tecnologici SpA				Date of the quotation : June 16, 2021
	<b>Total Cost of Pneumatic Parts Washer (PN 2500 S Plus Atex)</b>			<b>70.56*</b>	
<b>8.</b>	<b>High Speed Co-Extrusion Coating Laminating Machine</b>				
	High Speed Co-Extrusion Coating Laminating Machine with standard	01	971#	<b>971#</b>	Offer number: CLH888-01/ F/SD/ India

Sr. No.	Particulars	Units to be purchased	Per Unit Price (₹ lacs)	Total Cost (₹ lacs)	Quotation reference
	accessories (With Jyohoku Co-ex T-Die) (300m/min) <i>Model Number: WCL-H-1300</i>				
	<i>Manufactured by: Worldly Industrial Company Limited</i>				Date of the quotation : June 15, 2021
	<b>Total Cost of High Speed Co-Extrusion Coating Laminating Machine</b>			<b>971#</b>	
	<b>Total Cost of machinery</b>			<b>1237.40</b>	
	GST, Custom, Clearing and Forwarding			<b>383.00</b>	
<b>B.</b>	<b>Total Cost of Imported Machinery</b>			<b>1620.40</b>	
	Less total discount in plant and machinery			321.91	
	<b>Total Cost of Domestic and Imported Machinery (A+B)</b>			<b>1600.00</b>	

\*The cost of machinery is in Euro (EUR). The amount has been converted into Indian Rupees at the exchange rate of ₹ 90.25= 1 € prevailing for the purpose of this Draft Red Herring Prospectus. There may be fluctuation in the exchange rate between the Indian Rupee and Euro (EUR) and accordingly such transactions may affect the final funding requirements and deployment of the Net Proceeds.

# The cost of machinery is in US Dollar. The amount has been converted into Indian Rupees at the exchange rate of ₹ 74.75= 1 \$ prevailing for the purpose of this Draft Red Herring Prospectus. There may be fluctuation in the exchange rate between the Indian Rupee and US Dollar and accordingly such transactions may affect the final funding requirements and deployment of the Net Proceeds.

### Civil works

Our Company is undertaking the proposed expansion of our manufacturing unit situated at Timba with an installed capacity to manufacture 9,000 MTPA at its existing unit and has adequate land to undertake the said expansion. The total cost for the civil works for the factory block approximately 3,720 sq.mt. is estimated at ₹ 610.36 lacs, based on the quotation dated June 03, 2021, provided by Saunrachana Strucon Private Limited, Gujarat. The summary of the quote is elucidated below:

Sr. No	Details	Unit	Area	Rate Per Unit (₹)	Amount (₹ lacs)
1.	<b>Raw material -1 (Height 11.2 meters) :</b> RCC framed structure RCC framed structure (G+1) with steel roof at top; building with stair-lift, chajja, lintel, slab beam column; Brick wall; Double coat mala plaster inside; Double coat sand faced plaster outside; painting on outside & inside; Aluminum doors & windows; RCC Trimix flooring with sub base; Structure - fabrication, erection and painting of steel structure roof; Fixing of pre-coated coloured sheet with all accessories.	Square meter	1,223	18,500	<b>2,26.25</b>
2.	<b>Passage-RCC structure (Height 11.2 meteres):</b> G.F.+1- RCC framed structure; building with chajja, lintel, slab beam column; Brick work; RCC Trimix flooring with sub base; Water proof Treatment - china mosaic in terrace; Wooden doors & Aluminum windows; Double coat mala plaster inside; Double coat sand faced plaster outside; painting on outside & inside.	Square meter	216	14,000	<b>30.24</b>
	<b>Cylinder store, preparation, cleaning, Ink Kitchen &amp; passage:</b> RCC framed structure with steel roof at top building with chajja, lintel, slab beam column; Brick wall; Double coat mala_ plaster inside; Double coat sand faced plaster outside; painting on outside & inside; Aluminium doors & windows; RCC Trimix flooring with sub base; Structure - fabrication, erection and painting of steel structure roof; Fixing of pre-coated coloured sheet with all accessories.	Square meter	1,210	18,500	<b>223.85</b>

<b>Sr. No</b>	<b>Details</b>	<b>Unit</b>	<b>Area</b>	<b>Rate Per Unit (₹)</b>	<b>Amount (₹ lacs)</b>
	<b>Raw material 2 (Shed building, Ht 11.20m)</b> RCC column & Beam; Brick wall; Double coat mala plaster inside; Double coat sand faced plaster outside; painting on outside & inside; Aluminum doors & windows; M.S.Rolling shutter; RCC Trimix flooring with sub base; Structure - fabrication, erection and painting of steel structure roof; Fixing of precast coloured sheet with all accessories.	Square meter	771	12,000	<b>92.52</b>
	<b>Dock for truck parking (2 nos.):</b> Otta with brick wall on periphery; Brick work; RCC Trimix flooring with sub base; Double coat sand faced plaster outside; painting on outside.	Square meter	50	5,000	<b>2.50</b>
	<b>Canopy at dock for truck parking (2nos):</b> RCC pedestal with bolts; Structure - fabrication, erection and painting of steel structure roof. Fixing of precast coloured sheet with all accessories.	Square meter	200	7,000	<b>14.00</b>
	<b>Walkway</b>	Square meter	50	2,000	<b>1.00</b>
	<b>Garden and landscaping work</b>	Lump sum	01	2,00,000	<b>2.00</b>
	<b>Miscellaneous</b>	Lump sum	01	9,00,000	<b>9.00</b>
	<b>Total Cost</b>				<b>601.36</b>
	<b>GST (18%)</b>				<b>108.24</b>
	<b>Total Cost of Civil Works</b>				<b>709.61</b>

As on date of this Draft Red Herring Prospectus, our Company has not made any payments towards any of the above mentioned proposed expenditure.

#### **Other confirmations relating to the proposed expansion:**

We do not intend to purchase any second-hand machinery or equipment. The quotations received from vendors in relation to the above-mentioned objects of the Issue are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with these vendors (except where orders have been placed) and there can be no assurance that the same vendor(s) would be engaged to eventually supply the machinery and equipment or we will get the machinery at the same costs. The quantity of machinery and equipment to be purchased is based on management estimates. Payments to such vendors shall be made in Indian Rupee and no foreign currency transaction is envisaged for the same. Majority of the P&M equipment are of Indian origin, however some of the machinery/ equipment shall be imported from abroad, payment of which will be made by our Company in Indian Rupee.

Further, any additional costs incurred towards applicable taxes, freight charges, installation charges, exchange rate fluctuations, including any contingencies etc. in relation to any of the Objects or any preliminary and pre-operative expense, will be met from internal accruals of our Company.

#### **Infrastructure facilities like raw material, manpower and utilities like water, etc.**

Our Company has adequate facilities and infrastructure to source and store raw materials and has existing connections for utilities like water, manpower, power etc. for the existing set up. The same facilities shall be utilized for the proposed expansion at the manufacturing unit situated at Timba. For details of the infrastructure and utilities, please refer to “*Our Business-“Utilities”*” at page 158 of this Draft Red Herring Prospectus.

#### **Government and other Approvals**

Our Company has applied for the material government and statutory approvals/authorisations for increasing the capacity of our manufacturing unit situated at Timba, however we are yet to apply for the revised consent to establish for the proposed expansion. Our Company has availed the government and statutory approvals required to operate the said manufacturing unit. For further details, please refer to the chapter titled “*Government and Statutory Approvals*” at page 279 of this Draft Red Herring Prospectus.

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

The proposed schedule of implementation for expansion of manufacturing facilities situated at Timba is as follows:

Particular	estimated month of	
	Commencement	Completion
Civil Works	December 2021	May 2022
Order of P&M, Equipment	December 2021	January 2022
Delivery of machineries	February 2022	March 2022
Installation and erection of machineries	March 2022	April 2022
Trial run	April 2022	May 2022
Commercial production	May/ June 2022 onwards	

### Means of Finance

Our Company proposes to meet the entire requirement of funds for this proposed Object of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

### 3. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] lacs towards general corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds of the Issue, in compliance with Regulation 7(2) of the SEBI ICDR Regulations. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- strategic initiatives;
- working capital requirements;
- brand building and strengthening of marketing activities; and
- ongoing general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions

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

### Issue Related Expenses

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

Expenses	Estimated expenses <sup>(1)</sup> (in ₹ lacs)	As a % of the total estimated Issue expenses <sup>(1)</sup>	As a % of the total Gross Issue Proceeds <sup>(1)</sup>
Book Running Lead Managers fees and commissions (including any underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to Registrar to the Issue	[●]	[●]	[●]
Brokerage and selling commission payable to SCSBs, Registered Brokers, RTAs and CDPs, as applicable <sup>(2)</sup>	[●]	[●]	[●]
Processing fees to the SCSBs and to the Sponsor Bank for ASBA Forms procured by Registered Brokers, RTAs or CDPs <sup>(3)</sup>	[●]	[●]	[●]
Printing and distribution of issue stationery	[●]	[●]	[●]
Others			
- Listing fees			
- SEBI, BSE, NSE processing fees			
- Book Building software fees			

Expenses	Estimated expenses <sup>(1)</sup> (in ₹ lacs)	As a % of the total estimated Issue expenses <sup>(1)</sup>	As a % of the total Gross Issue Proceeds <sup>(1)</sup>
- Other regulatory expenses			
- Fees payable to legal counsel			
- Miscellaneous			
<b>Total estimated Issue expenses</b>	[●]	[●]	[●]

1) To be determined on finalization of the Issue Price and updated in the Prospectus prior to filing with the RoC.

2) Selling commission payable to members of the Syndicate, SCSBs, RTAs and CDPs on the amounts received against the Equity Shares Allotted (i.e. product of the Equity Shares Allotted and the Issue Price) would be as follows:

Portion for Retail Individual Bidders	[●]% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders	[●]% of the Amount Allotted (plus applicable taxes)

Further, bidding charges of ₹ [●] (plus applicable goods and services tax) shall be per valid ASBA Form collected by the Syndicate, RTAs and CDPs (excluding applications made by Retail Individual Investors using the UPI Mechanism). The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges. No additional bidding charges shall be payable to SCSBs on the Bid cum Application Forms directly procured by them. Selling commission payable to the Registered Brokers on the portion for Retail Individual Investors and Non-Institutional Investors, which are directly procured by the Registered Brokers and submitted to SCSB for processing, shall be ₹ [●] per valid Bid cum Application Form (plus applicable goods and services tax).

3) Processing fees payable to the SCSBs for Bid cum Application Forms which are procured by the Registered Brokers / RTAs / CDPs and submitted to the SCSB for blocking shall be ₹ [●] per valid Bid cum Application Form (plus applicable taxes).

Processing fees for applications made by Retail Individual Investors using the UPI Mechanism would be as follows:

RTAs / CDPs/ Registered Brokers	₹ [●] per valid Bid cum Application Form (plus applicable taxes)
Sponsor Bank	₹ [●] per valid Bid cum Application Form (plus applicable taxes)  The Sponsor Bank shall be responsible for making payments to third parties such as the remitter bank, the NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws.

\*Based on valid Bid cum Application Forms

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

## Deployment of Funds

As on December 31, 2020, our Company has spent an amount of ₹ 31.01 lacs towards the IPO expenses as detailed below. These sums have been expended from our internal accruals and will be recuperated from the Issue Proceeds. The same is certified by our statutory auditors, M/s. Bhanwar Jain & Co. Chartered Accountants, vide their certificate dated June 27, 2021.

S. No.	Heads of expenditure	Amount (₹ Lacs)
1.	Issue related expenses	31.01
	<b>Total</b>	<b>31.01</b>

## Appraisal by Appraising Agency

Care Advisory Research & Training Limited conducted and issued a Techno Economic Viability Report (Appraisal Report) in June 2021 in respect of the proposed expansion of our manufacturing facilities situated at Timba, with the following disclaimer:

“This report is prepared by CARE Advisory Research & Training Limited (CARE Advisory). CARE Advisory has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by M/s. Uma Converter Limited and information obtained from sources believed by it to be accurate and reliable. The views expressed herein do not constitute the opinion of CARE Advisory to buy or invest in the

*M/s. Uma Converter Limited and are also not a recommendation to enter into any transaction with the M/s. Uma Converter Limited in any manner whatsoever.*

*The report has to be seen in its completeness; the selective review of portions of the report may lead to inaccurate assessments. For the purpose of this report, CARE Advisory has relied upon the information provided by the officials/ consultants of the M/s. Uma Converter Limited. The project cost estimates and financial projections presented in this report have been reviewed and analysed for the limited purpose of circulation to the potential lenders of the M/s. Uma Converter Limited and presented based on the best of CARE Advisory's knowledge and belief. All projections and forecasts in this report are based on assumptions provided by the officials/ Consultant of M/s. Uma Converter Limited and considered to be reasonable by CARE Advisory; however, the actual outcome may be materially affected by changes in the industry and economic circumstances, which could be different from the projections. CARE Advisory recommends that the user of the report seeks a review if the M/s. Uma Converter Limited experiences material changes in the project and/or operations which could have an impact on the performance of the M/s. Uma Converter Limited.*

*Nothing contained in this report is capable or intended to create any legally binding obligations on the sender or CARE Advisory which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. CARE Advisory specifically states that it, or its Directors, employees, parent company – CARE Ratings Limited, or its Directors, employees, do not have any financial liabilities whatsoever to the subscribers/users of this report. The subscriber/user assumes the entire risk of any use made of this report or data herein. This report is for the information of the authorised recipient in India only, and any reproduction of the report or part of it would require explicit written prior approval of CARE Advisory.*

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*By accepting a copy of this Report, the recipient accepts the terms of this Disclaimer, which forms an integral part of this Report. ”*

The fund requirements mentioned above except for expansion of our manufacturing facilities situated at Timba are based on the internal management estimates of our Company and have not been verified by the BRLM or appraised by any bank, financial institution or any other external agency. The fund requirements for setting up of a manufacturing unit are based on the Appraisal Report of Care Advisory Research & Training Limited. The fund requirements are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. The actual costs would depend upon the negotiated prices with the suppliers/contractors and may vary from the above estimates. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilising our internal accruals or seeking additional debt financing.

### **Bridge Financing**

As on the date of this Draft Red Herring Prospectus, we have not entered into any bridge finance arrangements that will be repaid from the Net Proceeds. However, in case of delay in the IPO and consequent delay in accessing the net proceeds of the Issue, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit / term loan facility with our lenders, to finance setting up of facilities as described in the section ‘Objects of the Issue’ until completion of the Issue. Any amount that is drawn down from such facility availed from any Bank/NBFC or Financial Institution during this period to finance ‘Objects of the Issue’ will be repaid from the Net Proceeds of the Issue.

### **Interim Use of Funds**

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



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

### **Monitoring Utilization of Funds**

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

Pursuant to Regulation 32(5) of the Listing Regulations, our Company shall disclose to the Audit Committee the uses and applications of the Net Proceeds. Our Company shall prepare an annual statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus, certified by the statutory auditors of our Company and place it before the Audit Committee, as required under applicable laws. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. Further, in accordance with the Regulation 32(1) of the Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilization of the proceeds of the Issue from the Objects of the Issue as stated above; and (ii) details of category wise variations in the utilization of the proceeds from the Issue from the Objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

### **Variation in Objects**

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

## BASIS FOR ISSUE PRICE

The Price Band will be determined by our Company in consultation with the BRLM, and the Issue Price will be determined by our Company, in consultation with the BRLM, on the basis of the Book Building Process and the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should refer to “Risk Factors”, “Our Business”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 26, 146, 205 and 254, respectively, to have an informed view before making an investment decision.

### Qualitative Factors

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

- Well experienced management team with proven project management and implementation skills
- Integrated manufacturer of flexible packaging material with long standing market presence;
- Wide-spread domestic market presence;
- Presence across diverse industry verticals with long standing relationship with our customers;
- Comprehensive product portfolio enables us to serve diverse end-use applications
- In-house design capabilities and techniques

For further details, see “Risk Factors” and “Our Business” on pages 26 and 146, respectively.

### Quantitative Factors

The information presented in this section is derived from our Consolidated Restated Financial Statements. For details, see “Financial Statements” on page 205. Investors should evaluate our Company and form their decisions taking into consideration its earnings, and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the Issue price are as follows:

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

Year ended	EPS	Weight
FY 2017-18	3.66	1
FY 2018-19	3.29	2
FY 2019-20	2.01	3
<b>Weighted Average</b>	<b>2.71</b>	
For nine months ended December 31, 2020*	2.89	

\* Not Annualized

#### Note:-

1. Basic and diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard (Ind AS) 33 ‘Earnings per Share’ prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with the requirement of SEBI ICDR Regulations.

2. The ratios have been computed as below:

$$\text{Basic Earnings per Share (₹)} = \frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year/period}}$$

$$\text{Diluted Earnings per Share (₹)} = \frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Diluted Equity Shares outstanding during the year/period}}$$

Weighted average number of Equity Shares are the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during year multiplied by the time weighing factor.

The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

## 2. Price / Earning (P/E) Ratio in relation to Issue Price of ₹ [●] to ₹ [●] per Equity Share

Particulars	P/E at the lower end of the price band (no. of times)	P/E at the higher end of the price band (no. of times)
a) P/E ratio based on Basic and Diluted EPS as at March 31, 2020	[●]	[●]
b) P/E ratio based on Weighted Average EPS	[●]	[●]

## 3. Industry Price / Earning (P/E) Ratio

Particulars	Industry P/E
Highest	57.81
Lowest	17.21
Average	32.43

**Note:**

The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see “– Comparison of Accounting Ratios with Listed Industry Peers”.

## 4. Return on Net Worth (RONW):

Year ended	RoNW(%)	Weight
FY 2017-18	15.20	1
FY 2018-19	13.45	2
FY 2019-20	7.08	3
<b>Weighted Average</b>	<b>10.57</b>	
For nine months ended December 31, 2020*	9.90	

\* Not Annualised

Note: Return on Net worth has been calculated as per the following formula:

$$\text{RONW} = \frac{\text{Net profit/loss after tax, as restated}}{\text{Net worth excluding revaluation reserve}}$$

Networth is computed as the sum of the aggregate of paid up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account. It may be noted that equity component of financial instruments is excluded while calculating Networth of the Company.

## 5. Net Asset Value (NAV) per Equity Share

Particulars	NAV per Share (₹)
As on March 31, 2020	26.35
As on December 31, 2020	29.24
Net Asset Value per Equity Share after the Issue at Floor Price	[●]
Net Asset Value per Equity Share after the Issue at Cap Price	[●]
Offer price per equity shares	[●]

**Note:**

a) Net Asset Value has been calculated as per the following formula:

$$\text{NAV} = \frac{\text{Net worth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares at the end of the year/period}}$$

c) Networth is computed as the sum of the aggregate of paid up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of

profit and loss account. It may be noted that equity component of financial instruments is excluded while calculating Networth of the Company.

- d) Offer Price per Equity Share will be determined on conclusion of the Book Building process.

## 6. Comparison of Accounting Ratios with Industry Peers

The following peer group has been determined on the basis of companies listed on Indian stock exchanges, whose business profile is comparable to our businesses:

Name of the Company	CMP*	EPS (₹)	Face Value (₹)	P/E Ratio	RoNW (%)	NAV Per Share	Total Income (₹ in Million)
<b>Peer Group</b>							
Essel Propack Limited	280.50	4.85	2	57.81	20.85	11.04	9,552
Uflex Limited	477.45	51.21	10	17.21	8.53	650.47	74,316.23
Mold-Tek Packaging Limited	483.85	16.97	5	28.48	18.79	71.21	4,393.62
Huhatamaki PPL Limited	294.35	11.24	2	26.20	11.09	10.13	24,707.20
<b>The Company</b>							
Uma Converter Limited	[●]	2.01	10	[●]	9.90	26.35	1,039.85

\*Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the filings made with stock exchanges, available on [www.bseindia.com](http://www.bseindia.com) for the Financial Year ending March 31, 2020.

Source for Uma Converter Limited: Based on the Restated Financial Statements for the year ended March 31, 2020. P/E Ratio shall be computed at the Issue Price.

### Notes:

- Considering the nature and size of business of the Company, the peers are not strictly comparable. However, above Companies have been included for broad comparison.
- Current Market Price (CMP) is the closing prices of respective scrips as on June 29, 2021.
- P/E Ratio has been computed based on the closing market price of equity shares on June 29, 2021, divided by the Basic EPS.
- RoNW is computed as net profit after tax attributable to equity shareholders divided by net worth as at March 31, 2020.
- NAV is computed as the closing net worth divided by the closing outstanding number of equity shares.

## 7. The Issue Price is [●] times of the Face Value of the Equity Shares.

The Issue Price of ₹ [●] has been determined by our Company in consultation with the BRLM on the basis of assessment of the market demand from investors for the Equity Shares by way of book-building. Our Company and the BRLM believe that the Issue Price of ₹ [●] is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with “Risk Factors”, “Our Business” and “Financial Statements” on pages 26, 146 and 205, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “Risk Factors” and you may lose all or part of your investments.

## STATEMENT OF TAX BENEFITS

### Statement of possible special tax benefits available to the Company and its Shareholders

To,  
**The Board of Directors**  
**Uma Converter Limited**  
**Block No. 868, Village Santej,**  
**Sola-Santej Road, Tal. Kalol,**  
**Dist. Gandhinagar - 382721,**  
**Gujarat, India.**

Dear Sir(s):

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

---

We report that the enclosed statement in Annexure A, states the possible special tax benefits available to the Company and to its shareholders under the applicable tax laws presently in force in India including the Income Act, 1961 (‘Act’), as amended by the Finance Act, 2020 i.e. applicable for FY 2020-21 and AY 2021-22, and other direct tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the stated special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest money based on this statement.

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

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

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

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

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

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

Your sincerely,  
**For M/s. Bhanwar Jain & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 117340W**  
**(B. M. Jain)**  
**Partner**  
**Membership No: 034943**  
**UDIN: 21034943AAAADM8773**  
**Place: Ahmedabad**  
**Date: 27<sup>th</sup> June, 2021.**

## ANNEXURE –1

### STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

#### Direct Taxation

Outlined below are the possible special tax benefits available to Uma Converter Limited (the “**Company**”) and its Shareholders under the Income-tax Act, 1961 (the “**Act**”) as amended by the Finance Act, 2020 applicable for the Financial Year 2020-21 relevant to the Assessment Year 2021-22, presently in force in India.

#### I. Special tax benefits available to the Company

As per section 115BAA of the Act, the Company has an option to pay income tax in respect of its total income at a concessional tax rate of 25.168% (including applicable surcharge and cess) subject to satisfaction of certain conditions with effect from Financial Year 2020-21 (i.e. Assessment Year 2021-22).

Such option once exercised shall apply to subsequent assessment years. In such a case, the Company may not be allowed to claim any of the following deductions/exemptions:

- i. Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
- ii. Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)
- iii. Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
- iv. Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
- v. Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
- vi. Deduction under section 35CCD (Expenditure on skill development)
- vii. Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M
- viii. No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause i) to vii) above.
- ix. No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause i) to vii) above Further, it was clarified by CBDT vide Circular No. 29/ 2019 dated 2 October 2019 that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such Company will not be entitled to claim tax credit relating to MAT.

#### II. Special tax benefits available to the Shareholders of the Company

There are no special tax benefits available to the Shareholders of the Company for investing in the shares of the Company.

Notes:

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
2. This Annexure sets out only the possible special tax benefits available to the Company and the shareholders under the current Income-tax Act, 1961 i.e. the Act as amended by the Finance Act, 2020 applicable for the Financial Year 2020-21 relevant to the Assessment Year 2021-22, presently in force in India.
3. This Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
4. This Annexure is intended only 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 tax consequences,

each investor is advised to consult his/her own tax advisor with respect to specific tax arising out of their participation in the Offer.

5. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement(s), if any, between India and the country in which the non-resident has fiscal domicile.
6. Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is provided 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.

## ANNEXURE 2

### STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

#### Indirect Taxation

Outlined below are the possible special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 (“GST Acts”), the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”), as amended by the Finance Act 2020 applicable for the Financial Year 2020-21, Trade Policy 2015-20 as extended till 31.03.2021 vide Notification No. 57/2015-20 dated 31.03.2020 (unless otherwise specified), presently in force in India.

#### I. Special tax benefits available to the Company

The Company is availing the following benefits under Indirect Taxes:

1. In accordance with Section 54 of the CGST Act 2017, input tax credit paid on inputs and input services used in manufacture of exported goods/ IGST paid at the time of export of goods are eligible for refund, subject to prescribed conditions.
2. Duty drawback of duty paid on import of materials used in manufacture of export goods under Section 75 of the Customs Act.
3. Duty credit scrips under Merchandise Export from India Scheme (“MEIS”) covered in Chapter 3 – Exports from India Scheme in Foreign Trade Policy 2015-20 as extended till 31.03.2021 vide Notification No. 57/2015-20 dated 31.03.2020 (unless otherwise specified). However, the Cabinet has approved a WTO compliant scheme Remission of Duty and Taxes on Exported Products (“RODTEP”) to determine mechanism for reimbursement of taxes, duties/levies at central, state and local level. The said scheme will also replace MEIS in a phased manner. Further, the Directorate General of Foreign Trade (“DGFT”) are yet to notify extension of Service Export from India Scheme for FY 2020-21 on which the decision will be taken and notified subsequently.

#### II. Special tax benefits available to the Shareholders of the Company

There are no special indirect tax benefits available to the shareholders of the Company.

Notes:

1. This Annexure sets out only the possible special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 (“GST Acts”), the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”), as amended by the Finance Act 2021 applicable for the Financial Year 2020-21.
2. The above Statement covers only above-mentioned tax laws benefits and does not cover any Income Tax law benefits or benefit under any other law.
3. This Annexure 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 Offer.
4. These comments are based upon the provisions of the specified indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.



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.

## SECTION IV – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

The information in this section is derived from the report dated June 2021 titled “Report on Indian Flexible Packaging Industry”, (the “**CARE Report**”) prepared by Care Advisory, a division of CARE Advisory Research and Training Limited (“**CARE**”), except for other publicly available information as cited in this section. Neither we nor any other person connected with the Issue has verified the information in the CARE Report or other publicly available information cited in this section. Prospective investors are advised not to unduly rely on the CARE Report. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. The information in this section must be read in conjunction with the sections titled “Risk Factors” and “Our Business” beginning on pages 26 and 146 respectively.

#### The Global Economy

Covid-19 adversely affected the economy of countries across the globe in CY 2020. However IMF is expecting a stronger recovery in CY 2021 as covid-19 impact will decelerate and roll outs of vaccine all over the world has given more assurance about the global economy in the year CY2021. After sinking to 3.3% in 2020, the global economy is expected to grow 6.0% in the CY 2021 and 4.4% in the CY 2022.

#### Summary of World Economic Outlook Projections is given below (in %):

Particulars	2020	2021p	2022p
World	-3.3	6	4.4
Advanced Economies	-4.7	5.1	3.6
United States	-3.5	6.4	3.5
Euro Area	-6.6	4.4	3.8
Japan	-4.8	3.3	2.5
United Kingdom	-9.9	5.3	5.1
Canada	-5.4	5	4.7
Other Advanced Economies*	-2.1	4.4	3.4
Emerging market and developing economies (EMDEs)	-2.2	6.7	5.0
Emerging and Developing Asia	-1.0	8.6	6.0
Emerging and Developing Europe	-2.0	4.4	3.9
Latin America and Caribbean	-7.0	4.6	3.1
Middle East and Central Asia	-2.9	3.7	3.8
Sub-Saharan Africa	-1.9	3.4	4.0

*1 Note: p- Projections*

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

*(Source: World Economic Outlook April 2021 as published by IMF)*

IMF estimated growth in the advanced economies group of 5.1% in CY 2021. Among advanced economies, the United States is expected to surpass its pre-COVID GDP level this year CY 2021, while many others in the group will return to their pre-COVID levels only in CY 2022. The United States is projected to return to end-of-2019 activity levels in the first half of 2021 and Japan in the second half. In the euro area and the United Kingdom, activity is expected to remain below end-of-2019 levels into 2022. The gaps can be traced back to differences in behavioral and public health responses to infections, flexibility and adaptability of economic activity to low mobility, preexisting trends, and structural rigidities predating the crisis. In 2021 the advanced economic growth rate is projected to strengthen to 5.1%. The US economy contracted by -3.5% in 2020, and projected to grow at 6.4 % in 2021. Euro area is expected to reflect a sharp recovery of 4.4% by the end of 2021. Among emerging market and developing economies, growth is forecasted at 6.7 % in 2021 and 5.0% in 2022.

#### Indian Economy

On April 21, CARE Ratings had projected GDP growth to be 10.2% for FY22 on the assumption that the lockdowns would be rolled back in June. The spread of infection has also affected workers in various businesses in this round which is directly affecting companies. Supply chains are being affected this time due to workers

getting infected unlike the first wave in 2020 when there were restrictions on the movement of goods. Therefore, there is a double whammy due to the second wave - of a lockdown as well as personal health of workers.

Under these conditions CARE Ratings do believe that there will be a push back to the unlock process which can be only moderate even in July and will pick up only in August assuming the worst is behind us in June. In fact, it is assumed that the loss in June and part of July will be comparable to the previous months due to the spread of the virus in the interiors. Also based on the progress of the vaccination programme, it does appear that there will be significant delays in meeting targets and the nation will still be in the first gear mode in June with movement to the second starting earliest in July. Hence Q1 of this year will be stressed out to a large extent with July showing mixed signs.

There are 30 lakh active cases which can be affecting broadly over 100 lakh families. There have been cumulative discharges of around 190 lakh people which will affect at least 600-700 lakh families. This can potentially also affect the purchasing power of families and hence unlike last year when the pent-up demand theory worked to a certain extent, this time it will be dormant. These people would have spent considerable amounts of money on medical treatment and unless in the top echelons of income would not be in a position to spend more this time after the infection incidence abates. The sheer numbers this time will delay the demand revival process this year. Under these assumptions, GDP growth for FY22 will be 9.2% with a downward bias as against 10.2% projected in April.

#### **Movement in CARE Ratings forecasts for GDP growth (%)**

<b>Year</b>	<b>GDP growth (%)</b>
2020-21 (Actual)	-8.0
2021-22: 24 March'21	11-11.2
2021-22: 5 April'21	10.7
2021-22: 21 April'21	10.2
2021-22: 12 May' 21	9.2

(Source: CARE Ratings)

GDP in FY21 was Rs 1.34 lakh crore that was to increase to Rs 1.48-Rs 1.49 lakh crore as per CARE Ratings March forecast. The GDP level in real terms will be Rs 1.46 lakh crore based on 9.2% growth. The lower growth in GDP compared to our initial estimate of 11.2% would mean a loss of Rs 2.68 lakh crore in real terms or Rs 3.89 lakh crore in nominal terms. In real terms the growth would be: –

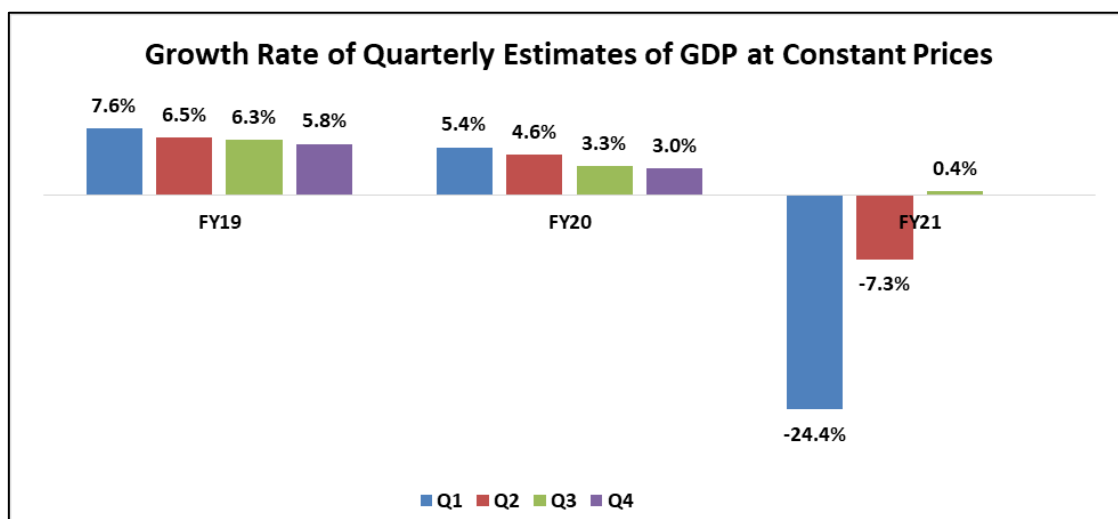
- Agriculture 3.3-3.5%,
- Industry 9.5-10% and
- Services 9-9.5%.

This in turn will also have fiscal implications.

The Budget had targeted a nominal GDP of Rs 222.87 lakh crore. The fiscal deficit was estimated at Rs 15.07 lakh crore accordingly. With real GDP growth falling by Rs 2.68 lakh crore, nominal GDP would now be reduced to Rs 218.98 lakh crore with a loss of nearly Rs 3.9 lakh crore of income. Further, with GDP growth slowing down by 2% points, the overall tax revenue to the Centre will come down from Rs 15.45 lakh crore to Rs 15.11 lakh crore, which is a shortfall of Rs 0.34 lakh crore. Last month, the government has already announced an outlay of Rs 0.25 lakh crore on account of the free food programme for 8000 lakh people (which would be at Rs.5 kg/month). This additional cost combined with the potential decline in tax revenue will mean an increase in deficit by Rs. 0.59 lakh crore. The revised fiscal deficit under ceteris paribus conditions would be Rs 15.66 lakh crore or 7.15% of GDP. This is assuming that the government spends the additional Rs. 0.25 lakh crore outside the budget and does not channel the same from an existing allocation. Statistics for Indian Economy is provided below:

#### **Gross Domestic Product (GDP)**

GDP is the sum of private consumption, gross investment in the economy, government investment, government spending and net foreign trade (difference between exports and imports). Sectorial GDP Growth is as under:



(Source: MOSPI)\*At the time of preparation of report Q4 FY21 data is not released.

### Gross Value Added (GVA)

Gross value added (GVA) is the measure of the value of goods and services produced in an economy. GVA gives picture of supply side where as GDP represents consumption.

Sector wise GVA profile and growth estimates for FY22:

Rs lakh crore and %	FY20	FY21	FY22	FY20	FY21	FY22 (est)
<b>GVA</b>	132.71	124.11	136.83	4.1	-6.5	10.2
<b>Agriculture, forestry and fishing</b>	19.69	20.28	20.99	4.3	3	3.5
<b>Industry</b>	39.28	36.07	40.24	-1.2	-8.2	11.6
<b>Mining and quarrying</b>	3.22	2.92	3.22	-2.5	-9.2	10
<b>Manufacturing</b>	22.69	20.8	23.45	-2.4	-8.4	12.8
<b>Electricity, gas, water and other utility</b>	3.01	3.06	3.24	2.1	1.8	6
<b>Construction</b>	10.36	9.29	10.33	1	-10.3	11.3
<b>Services</b>	73.75	67.76	75.59	7.2	-8.1	11.6
<b>Trade, hotels, trans, storage, comm</b>	27	22.14	25.23	6.4	-18	14
<b>Financial, real estate and prof services</b>	29.17	28.76	31.63	7.3	-1.4	10
<b>Public admin, defence and other</b>	17.59	16.87	18.73	8.3	-4.1	11

(Source: CARE rating)

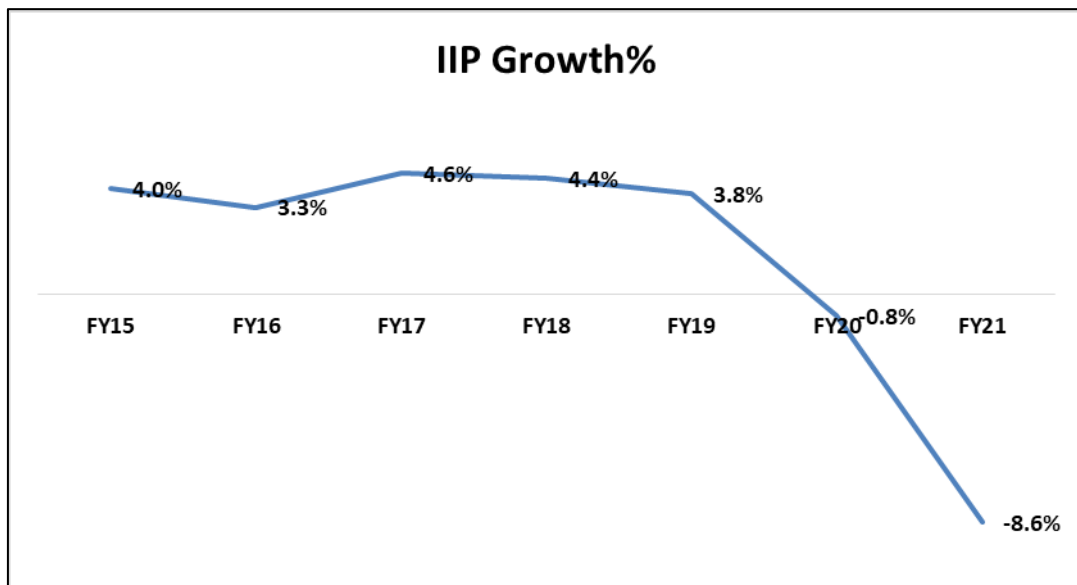
CARE Rating estimates that GVA will increase by 10.2% in FY22 over -6.5% in FY21. This is based on the normal monsoon assumption which will lead to stable agricultural output.

- Agriculture will continue to grow by a stable rate based on steady kharif and rabi harvests. There are no unfavorable signs of an el Nino developing which is an early positive sign.
- The industrial sector will witness buoyancy with mining, manufacturing and construction registering double digit growth rates over negative growth in FY21.
  - This will be supported by metals (10-15% growth), cement (10-12%), auto (15-25% across different segments), textiles (8-10%), drugs and pharma (14-15%). The consumer goods industry will however register relatively moderate growth of between 5-8%.
  - Power sector would continue to grow between 5-7% taking growths for the group to 6%.
  - Construction will be driven by government working hard on roads, with real estate related activity also picking up in the residential segment leading to uptick in house building.
- Services sector is expected to grow by 11.6% with all the three segments registering double digit growth.
  - Trade, transport, hotels, etc. would be growing on the back of strong growth from telecom (10-12%), retail (10-12%), hotels (20-25%) and healthcare (10-12%). The downside risk here is that continuation of localized lockdowns with restrictions on these services will have the potential to lower growth in GVA by 1-2% and can pressurize the economic recovery.

- Maintenance of growth in the financial services will be combined with real estate growth to push overall number to 10%. Bank credit this year will be higher with the demand for funds picking up. The downside risk is any stagnation in real estate due to issues on the home loans front. It may be pointed out here that as of August 2020 a large part of the mortgage portfolio of banks were under moratorium. The Supreme Court has recently lifted the moratorium relaxation provided to the banks which means the latter will start recognizing these NPAs going ahead. A significant uptick in NPA numbers could weigh on bank credit growth to some extent depending on the provisions already made by them. Any upside risk here will affect prospects of this sector.
- The public admin and miscellaneous services will rebound on the back on higher government spending which will keep growth above 10%.

### Industrial Growth for FY21

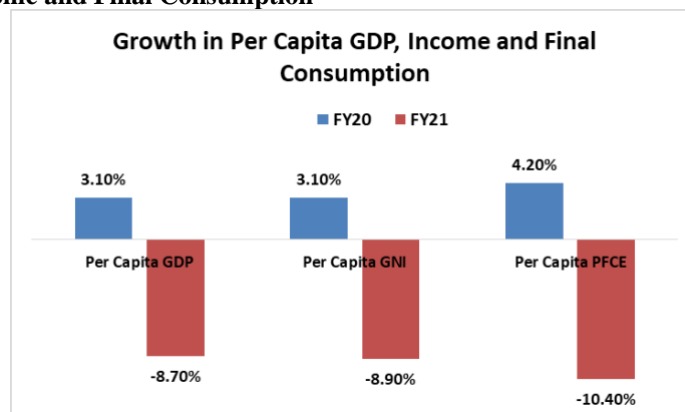
Industrial production contracted by -8.6% during FY2020-21 as compared to -0.8% contracted in FY2019-20.



(Source: MoSPI)

Industrial production rose by 22.4% in Mar due to favorable base as the government imposed nationwide lockdown in year ago period in the country due to spread of COVID-19 infection . Factory production came higher than market estimates of 20% led by strong growth in manufacturing and electricity output. Manufacturing sector grew by 25.8% in Mar as the expansion in activity remained better than expected. In terms of industries, 20 out of 23 industry groups showed expansion during the month. Electricity sector output grew by 22.5% while mining output growth remained low at 6.1% due to -21.9% contractions in coal production and -3.1% decline in natural gas output during Mar'21. On use based, capital goods/infrastructure expanded by 41.9%/31.2% on the favorable base of -38.8%/-24.3% contraction in year ago period. Consumer durables sector grew by 54.9% and non-durables at 27.5% on favorable base.

### Per Capita GDP, Income and Final Consumption



India's per capita gross domestic product (GDP) dropped 8.7% to Rs 99,155 in 2020-21 from 3.1% in 2019-20. Gross national income (GNI) represent the value produced by a country's economy in a given year, dropped by 8.9% in 2020-21. The per capita private final consumption expenditure (PFCE), that represents consumer spending, dropped by 10.4% in 2020-21.

### Indian Economy outlook

CARE Ratings estimated India's GDP growth rate at 9.2% for the FY2022. India's growth outlook has improved significantly and the covid-19 vaccination drive will help the economic rebound. The Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) kept the repo rate unchanged at 4% while maintaining an accommodative stance as long as necessary to mitigate the impact of the COVID-19 pandemic. The Indian central bank was widely expected to keep key interest steady amid a surge in COVID-19 cases in the country.

The recent surge in covid-19 cases has caused lockdown and curfew in many states resulting in a dip in consumer confidence and reignited uncertainty regarding the near-term outlook. Second wave of Covid-19 infections and subsequent lockdowns are derailing economic momentum, RBI interventions will help maintain adequate liquidity as well as prevent hardening of yields in bond market. These measures will ensure economic stability.

Government has declared that vaccine will be given to every adult citizen (above 18 years) which may help to reduce the transmission of covid-19 in the near future. The world's largest vaccine maker, Serum Institute of India (SII), has sought Rs. 0.03 lakh crore grant from the government to ramp up capacity of the Covishield Covid-19 vaccine beyond 1,000 lakh doses a month that the institute is expected to reach by the end of May 2021.

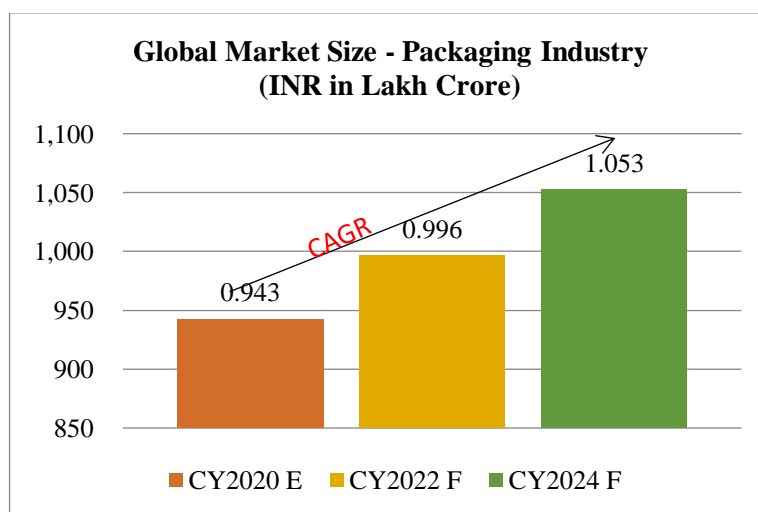
In the 2021-22 Union Budget, for FY22 capital expenditure is likely to increase by 34.5% at US\$ 0.076 lakh crore over FY21 to boost the economy.

Governments Increased expenditure is expected to attract private investments, providing excellent opportunities with production-linked incentive scheme. Consistently policy support is anticipated to boost the Indian economy.

### Packaging Industry

#### Global Overview

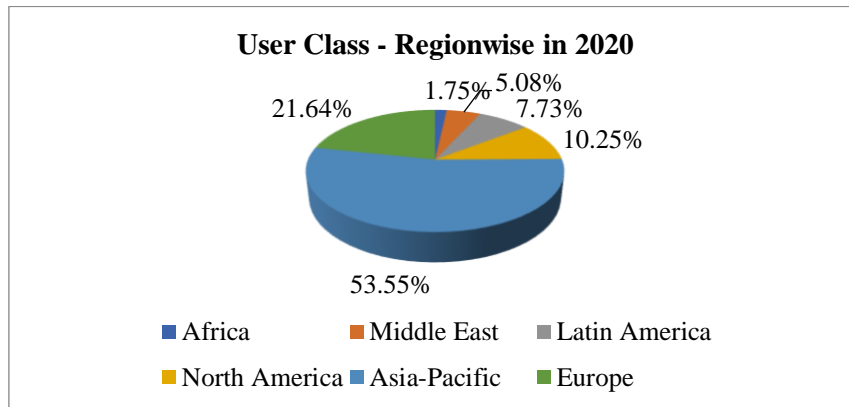
Practically anything and everything we consume is packaged. Be it a Pin or Smart phone or from a coffee to TV Set, everything comes in packaging. Every person in modern industrialized societies has contact with the packaging industry every day. Population growth and urbanization are increasing trade and simultaneously, the use of packaging. Online trade is further increasing the need for packaging. Products are also being consumed on the go which is growing the need for food service packaging and different sizes of packaging. As per the industry sources, the total global value of the packaging industry for CY 2019 was US\$ 0.917 lakh crore and is estimated to be US\$ 0.943 lakh crore for CY 2020 the packaging demand is now forecasted to grow steadily at CAGR 2.8% to reach \$1.05 lakh crore in 2024. Also, the flexible packaging market was worth US\$ 0.113 lakh crore globally during 2019 and is also expected to grow gradually.



(Source: Care Advisory Research & Training (CART) Research) E: Estimated; F: Forecasted

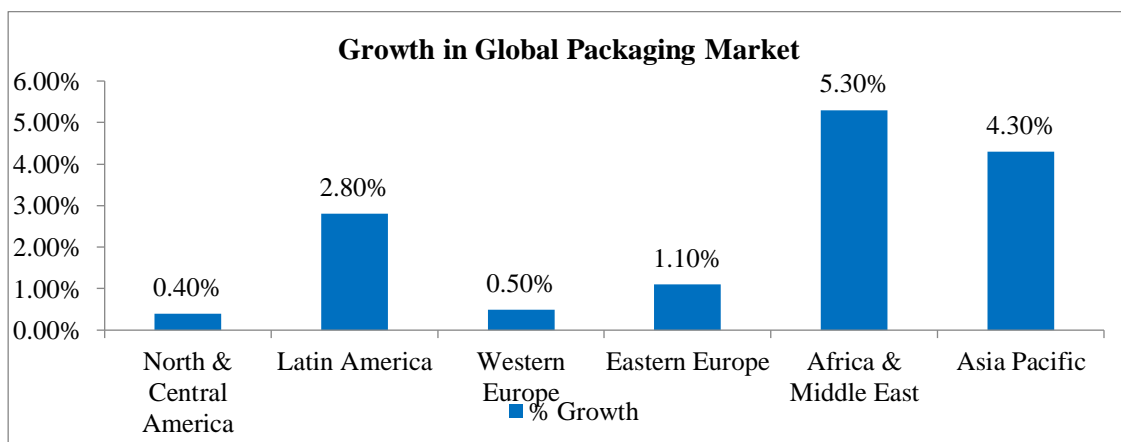
Currently, Asia is the largest market and accounts for 53.55% of world packaging consumption in CY 2020. Europe and North America in the second and third place with 21.64% and 10.25% respectively. Further as per the reports, Based on the per capita consumption of Packaging it can be presumed that there is a huge growth in the Asia-Pacific region and especially in India for Packaging Industry.

**New Customers in Asia – Proportions of the user-class worldwide**



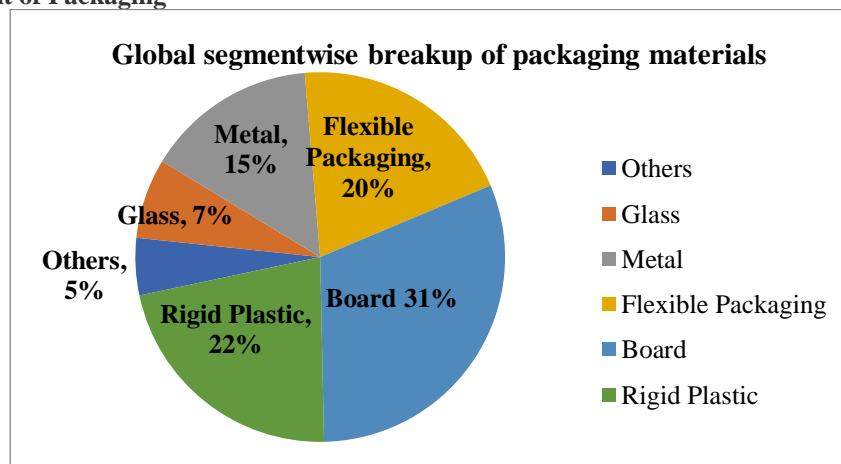
(Source – Industry Sources)

The packaging market in the above mentioned regions is expected to grow in the range of 0.40% to 5.30% by CY 2022. Africa and Middle East combined is set to grow at 5.30% whereas Asia Pacific region is forecasted to grow at 4.30%.



(Source – Industry Sources)

**Global Segment of Packaging**

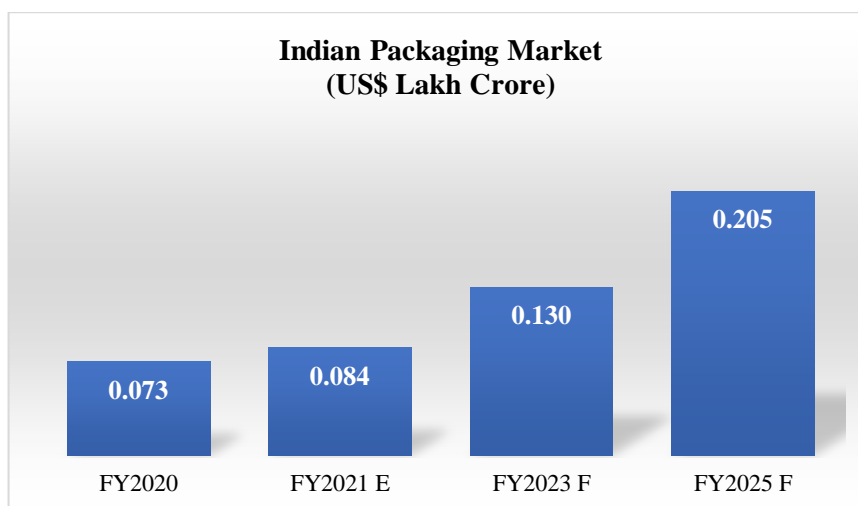


(Source: compiled by CART, Industry Source)

## **Indian Market**

The packaging market in India seems set for the next level of growth. Strong favorable demographics aside, factors such as increasing disposable income levels, rising consumer awareness and demand for processed food, and the multinational giants taking rapid strides in the food, beverages, cosmetics & toiletries and pharmaceuticals space, are expected to be the key drivers of this growth story. These factors are forcing both packaging suppliers and end-user industry to shift from bulk packaging to retail, unit-level and small-sized packaging. In addition, exploding organized retail growth and newly relaxed FDI investment norms in retail and other sectors augur well for packaging market in India.

Packaging is among the high growth industries in India. The Indian Packaging Industry was valued to be US\$ 0.073 lakh crore in FY 2020 and is estimated to be US\$ 0.084 lakh crore in FY 2021. It is expected to grow from US\$ 0.073 lakh crore in FY 2020 to US\$ 0.205 lakh crore in FY 2025 with CAGR of 23.05% and becoming a preferred hub for packaging industry. Currently, Retail Market being the 5th largest sector of India's economy, has reported steady growth over past several years and shows high potential for much expansion, particularly in the export market. Costs of processing and packaging food can be 40% lower than of in Europe which, combined with India's resources of skilled labor, make it an attractive venue for investment. A high degree of potential exists for almost all user segments which are expanding appreciably-processed foods, hard and soft drinks, fruit and marine products.



*E: Estimated; F: Forecasted (Source: compiled by CART, Industry Source)*

The Indian packaging industry has made a mark with its exports that comprise flattened cans, printed sheets and components, crown cork, lug caps, plastic film laminates, craft paper, paper board and packaging machinery, while the imports include tinsplate, coating and lining compounds and others. In India, the fastest growing packaging segments are laminates and flexible packaging, especially PET and woven sacks. Over the last few years Packaging Industry is an important sector driving technology and innovation growth in the country and adding value to the various manufacturing sectors including agriculture and FMCG segments. While the sector presents a lot of opportunity for larger players, there are attendant challenges due to lack of regulatory clarity arising from multiple legislations that define the sector; the need to meet more stringent packaging norms laid down by the entry of global players such as Walmart; as well as the rising consumer awareness on sustainable packaging, requiring a shift to more green materials and innovations that require investments in R&D as well as infrastructure. The global packaging industry is developing and expanding day by day and Indian packaging industry is also growing at rapidly. This growth is primarily driven by factors like growing pharmaceutical, food processing, manufacturing industry, FMCG, healthcare sector and ancillary in the emerging economies like China, India, Brazil, Russia and few other East European countries.

## **Types of Packaging**

The packaging plays a large role in the perceived value of a product and as a whole, the packaging industry really hasn't changed too much in the past years, compared to the constant innovations made in portable technology. With all the packaging and box choices available in today's market, it often becomes difficult to select the most

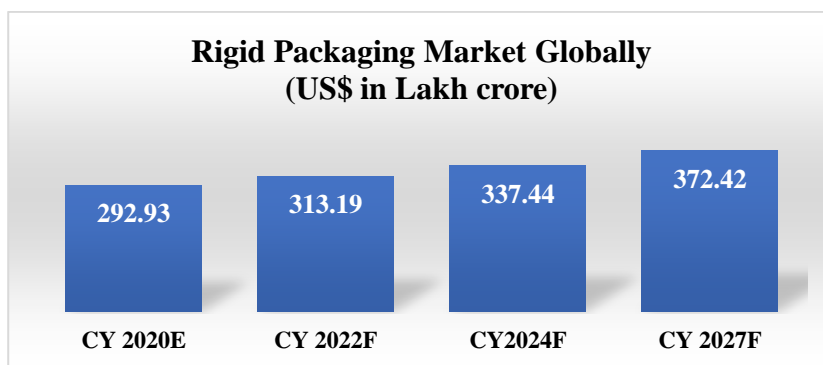


appropriate packaging solution for the product. Packaging in general is classified into two significant types i.e. Rigid Packaging and Flexible Packaging.

### 1. Rigid Plastic Packaging

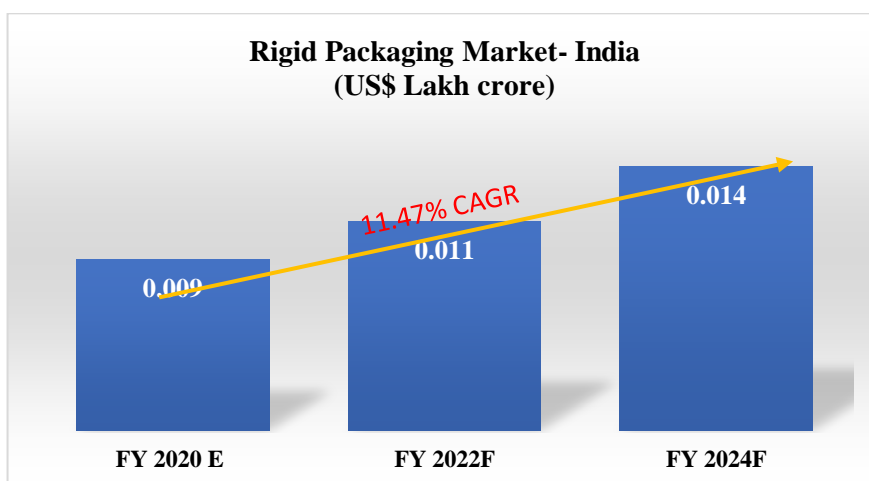
Rigid plastics category includes products like tubes, cups, bottles, pots, cans and closures. Rigid packaging material finds usage in all packaging related applications and is fast replacing traditional packaging materials like metal cans, glass bottles, aluminum collapsible tubes and metal caps. In India this category is driven by the companies seeking lower cost of packaging, introduction of new products that fit this category, expanding middle class consumers shift from ‘loose’ products to packaged products, modern retail formats that increase value of product presentation and growing aspirations to consume better quality products. The major materials in rigid plastics are PET, PP and HDPE. In India, this sector is dominated by Essel Propack which is a global leader in the laminated tubes category and Pearl Polymers which has a leadership position in the glass bottles and jars segment as well. Thin walled plastic containers have seen a huge demand boost both in packaged goods as well as retail trade sectors.

The Global rigid plastic packaging market is estimated to be valued at US\$ 0.293 lakh crore in CY 2020 and is forecasted to grow to US\$ 0.372 lakh crore by CY 2027, growing at a CAGR of 3.4%.



(Source: compiled by CART, Industry Source)

The market for rigid plastic packaging in India has grown well in the recent years and is estimated to be around US\$ 0.009 lakh crore in FY 2020. The market is expected to grow at a CAGR of around 11.47% during the four years of span and expected to reach to US\$ 0.014 lakh crore by FY 2024. Northern region is by far the largest market for rigid plastics packaging and accounts for a share of 35%, followed by West at 32%.

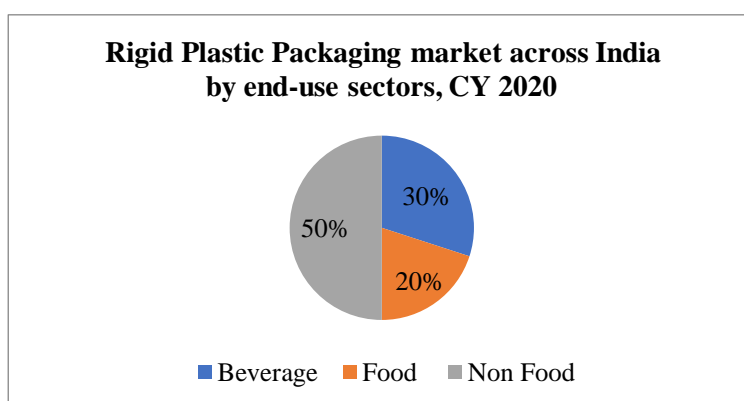


(Source: compiled by CART, Industry Source)

### Rigid Plastic Packaging across end-use sectors

Segment	Product Categories
Beverage	CSD

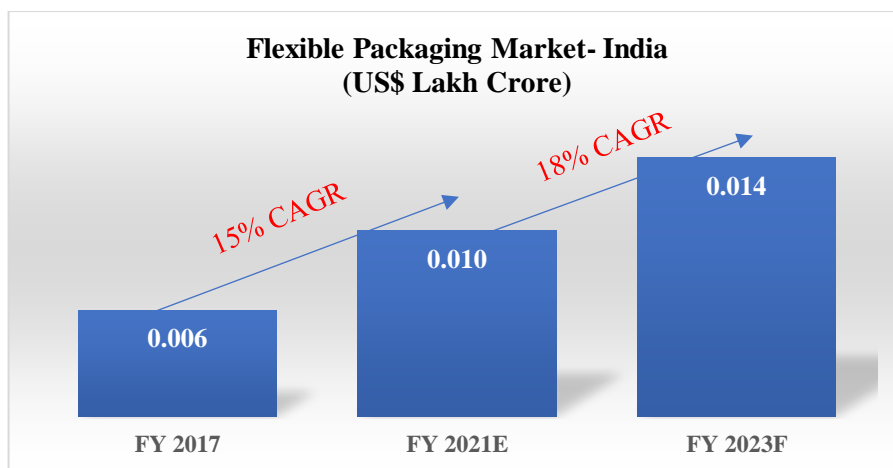
Segment	Product Categories
	Bottled water
	Fruit beverage- Fruit Juice & Fruit drink, nectar ,squash
	Alcoholic Beverage-Liquor , Beer
	Others-energy drink
	Cooking medium-edible oil & Vanaspati
<b>Food</b>	Milk & dairy Product– malted milk, Butter, ghee, yoghurt, Milk powder, ice cream
	Confectionery
	Other Foods-Pickle, Sauce, honey, jam, sweetener, fruits, vegetables, etc.
	Pharmaceuticals- pharmaceutical products (OTC products, formulations etc., alternative medicines (Ayurveda, homeopathy etc.)
<b>Non Food</b>	Household products – insecticides, cleaning products
	Paints & varnishes
	Lubricants (Engine Oil, grease)
	Other non-foods-agro chemicals, adhesives, etc.



Key players in the rigid plastic packaging sector include ALPLA India, Manjushree Technopack, HitechPlast, AVI Global Plast, Bloom Packaging, Garden Polymers, Graham Blow Pack, Gerresheimer, Himalayan Group, Mold-tek Packaging, Pearl Polymers, Rexam Pharma, S.D International, Sunrise Containers and Weener Empire Plastics.

## 2. Flexible Packaging

Flexible packaging is defined as a package whose shape is not rigid and can be easily changed, when filled and during use. It includes packaging utilizing paper, plastic film, foil, metallized or coated papers, and any combination of these materials. One of the key functions of a package is to contain and protect the product by creating an effective barrier between the product and the environment to prevent the product from becoming waste. As such, it is an integrated part of the product and used to preserve product freshness, extend its shelf life by protecting it from potentially damaging environmental factors such as light, oxygen and moisture, which could affect the quality and the taste of food. Flexible packaging demand in 2017 was US\$ 0.006 lakh crore and with a cumulative growth of nearly 15%, it is estimated to be US\$ 0.010 lakh crore in FY 2021. The segment driven by urbanization, growing lifestyle and population growth is expected to grow at a CAGR of 18% to US\$ 0.014 lakh crore by FY 2023.



(Source: compiled by CART, Industry Source)

### Key Difference Between Rigid and Flexible Packaging

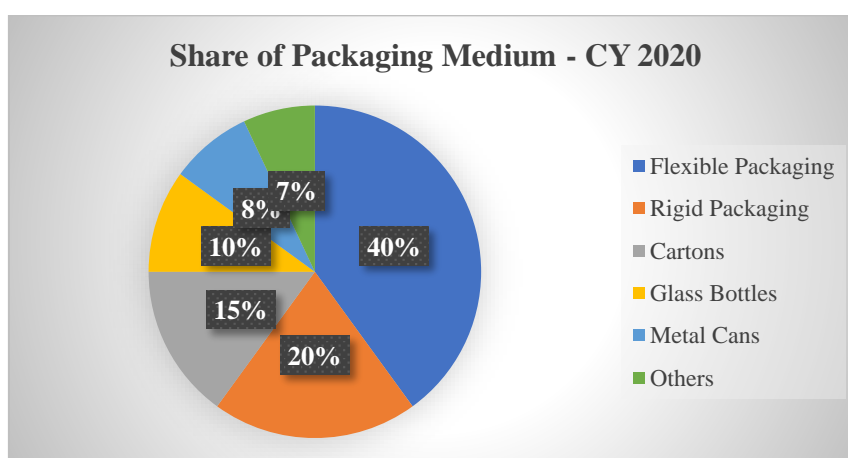
Parameters	Flexible Packaging	Rigid Packaging
Weight	Light	Heavy
Raw Material Consumptions	Low (By Weight)	Heavy
Sizes	Good For Smaller Packs	Suitable for Bigger Packs
Storage	Less Space Require	High Space Required
Re-use	Low Possibility	High Possibility
Energy Saving	Low	High
Re-sealing	High Possibility	Low Possibility
Diposal	Easy	Difficult

(Source: Industry Source details compiled by CART)

### **Flexible Packaging**

Flexible packaging is estimated to reach US\$ 0.014 Lakh crore by year FY 2023 growing about 18% CAGR. Plastics, paper and metals are the key materials used in flexible packaging products, which are made from foil or paper sheet or laminated paper and plastic layers. Plastics dominate the flexible packaging market because of their properties: they can be modified by co-polymerisation and the use of additives to match exact packaging requirements of the commodity to be packed. Also, they are high in strength and play as a barrier against moisture.

Metal Packing is generally used in Cans, paper is used in bags, envelopes and pouches, plastics is used in bulk bags and woven fabrics are used in industrial packaging. About 50% of the plastics produced in the country are used in packaging industry. Flexible packaging accounts for around 40% of total packaging industry in CY 2020.

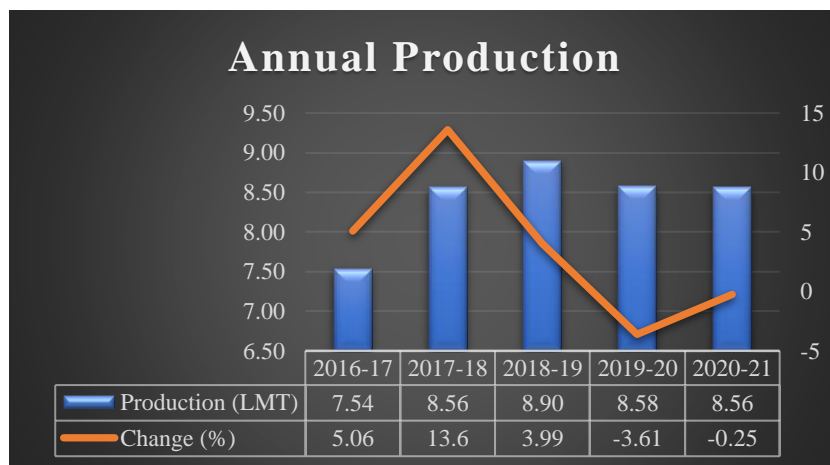


(Source: compiled by CART, Industry Source)

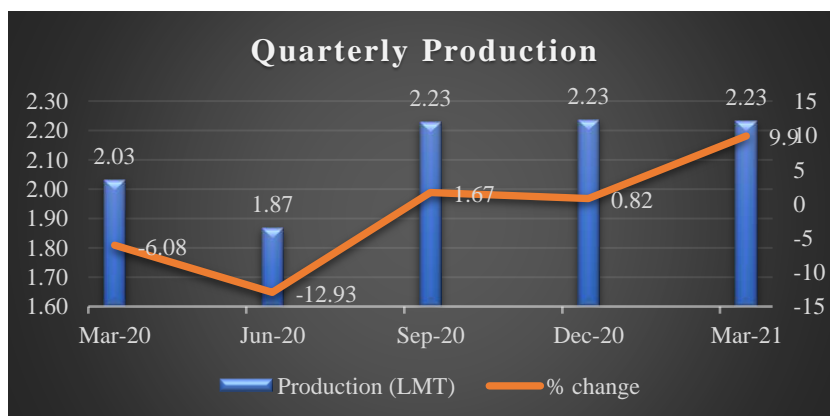
Polymers have an increasing role in flexible packaging. PET, or polyethylene terephthalate, is the chemical name for polyester. It is extruded or molded into plastic bottles and containers for packaging foods and beverages, personal care products, and many other consumer products. PET is a highly valued packaging material because it is strong yet lightweight, non-reactive, economical, and shatterproof. Polypropylene (PP) is a thermoplastic polymer used in a wide variety of applications. An additional polymer made from the monomer propylene, it can be produced in a variety of structures giving rise to a variety of applications including packaging and labeling, textiles, plastic parts and reusable containers of various types, laboratory equipment, automotive components, and medical devices. High Impact Polystyrene is a rubber-modified version of General Purpose Polystyrene (GPPS), which exhibits high impact strength in sheet form, is easily fabricated and vacuum formed. High impact polystyrene sheet (or HIPS sheet as it's known in the trade) is a very versatile material and provides a cost effective route to the production of parts for many industrial sectors.

Demand for flexible packaging in India is likely to remain strong, due to comparative lower cost of packaging and continuous innovation by leading players who are launching new materials and products for the industry. Demand is likely to be further driven by smaller pack sizes, given the lower purchasing capacity in rural and semi-urban India. Indian companies have been highly innovative to reach this target market by launching products in extremely small size packs called “sachets” and “pillow packs” that contain a wide variety of products from personal care products like shampoos, tooth paste and face creams to chewing tobacco and related products. Also traditional segments like savory snacks, biscuits and condiments are being launched in smaller packages to cater to the rural market. As in other packaging segments, growth in this sector is expected to remain strong from traditional products and with new categories migrating from other expensive forms of packaging to flexible pouches. Some recent innovations in this category are the introduction of re-closable packs and packs that have a spout and screw cap; which can be used to package condiments, sauces, juices etc. and can also be made from aseptic packaging materials. The real value of the flexible packaging comes from the benefits it provides to the users in terms of taste, performance, convenience, value and variety. For e.g. Product taste along with extended shelf life can be enhanced through processing technologies such as high pressure processing (HPP), which often utilizes flexible packaging due to its ability to withstand high levels of pressure.

**Production of Films of Polythene, Polyester, PVC & Other Forms of Plastic**

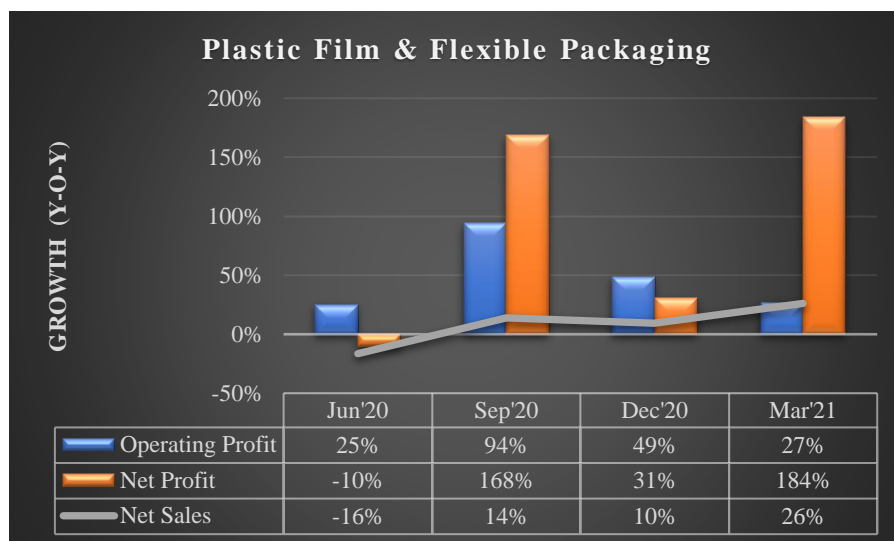


(Source: CMIE Industry)



(Source: CMIE Industry)

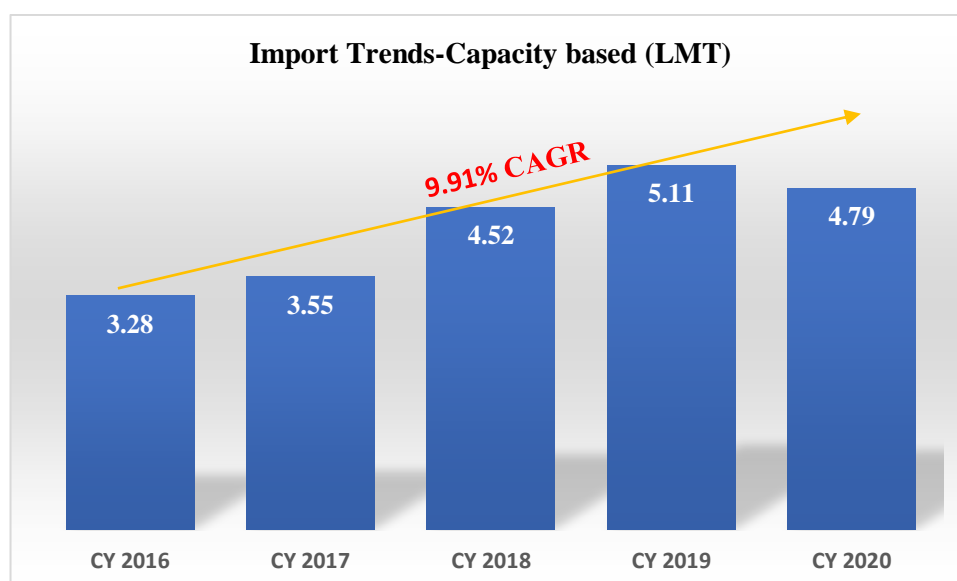
The production of Polythene, Polyester, PVC and other forms of Plastic in India has shown a CAGR of 3.23% during the tenure of FY 17 to FY 21 but, has also shown degrowth in FY 20 and FY 21 of 3.61% and 3.82% respectively in comparison with the production capacity of FY 19. This degrowth however seems to be driven by the initial impact of complete lockdown during Q4FY20 and Q1FY21 which reduced the quarterly production by 6.08% and 12.93% respectively.

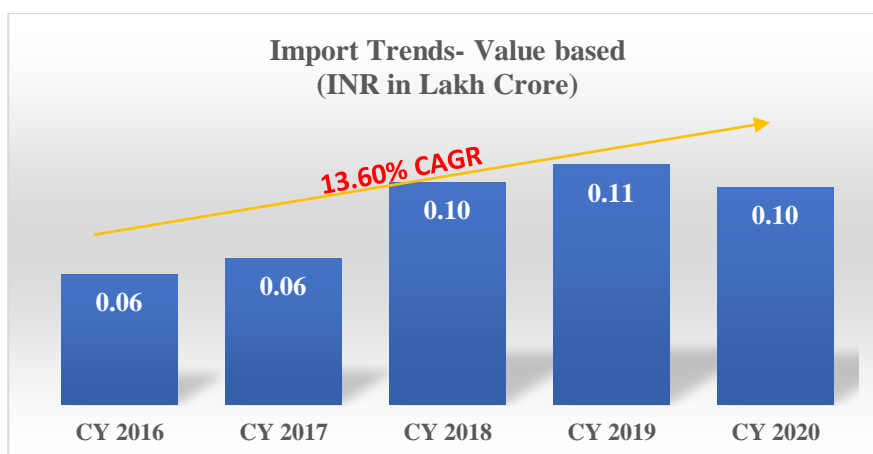


(Source: CMIE Industry)

The plastic films & flexible packaging industry reported a strong 26.2 per cent y-o-y growth in its sales revenues during the quarter ended March 2021. Its operating expenses corresponding to sales rose by a slower 26.1 per cent. The industry's largest operating expense, raw materials, rose by 35.8 per cent. Consequently, the industry's operating profit grew a strong 26.7 per cent during the quarter. The operating profit margin expanded by seven basis points to 17.8 per cent. Among the post operating expenses, while interest fell by 62.1 per cent, depreciation rose by 7.4 per cent. The tax-to-PBT ratio contracted by 8.5 percentage points to 14.4 per cent. Moreover, other income increased by 537.9 per cent. Hence, the industry's net profit rose by 183.9 per cent. The net profit margin improved to 20.2 per cent in the reporting quarter from 9.9 per cent in the March 2020 quarter. The industry's March 2021 quarter performance is based on the interim results of nine companies.

#### Imports Trend of plastic film & flexible packaging in India





(Source: CMIE Industry)

The Plastic Film & Flexible packaging Industry in India shows a cumulative growth of 9.91% in Capacity of Imports from 3.28 LMT in CY 2016 to 4.79 LMT in CY 2020. However, we can see a downfall of 6.26% during CY 2019 to CY 2020 based on the Trade interruption created between countries by COVID-19. Also, we can see a growth of CAGR 13.60% in terms of value in exports during the tenure CY 2016-2020 with a downfall of 9.47% during CY 2019-20 due to COVID-19 impact.

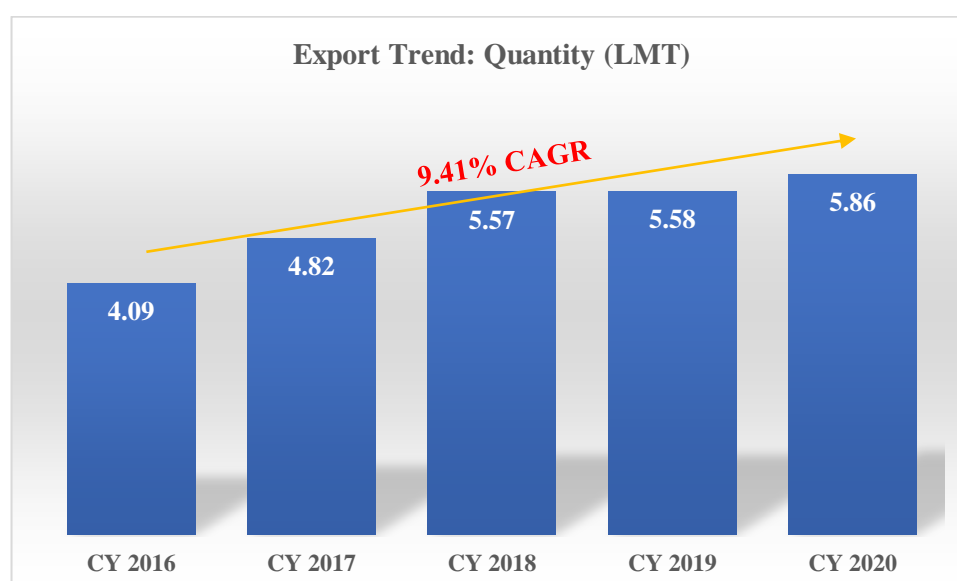
#### Country-wise Import on Plastic Films and Flexible Packaging

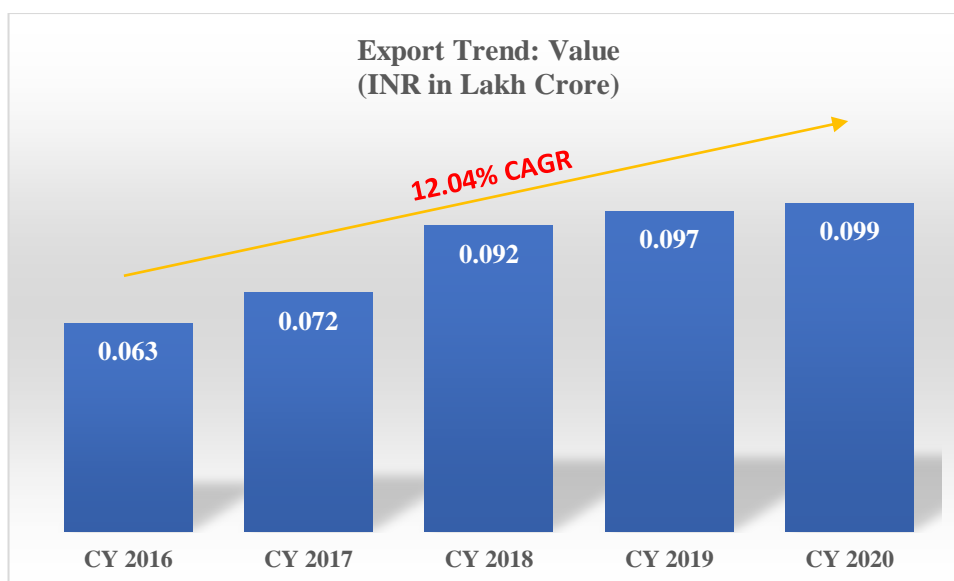
Year	(in thousand MT)					
	China	USA	Korea	Thailand	Belgium	
Sep-19	59.0	18.6	8.3	7.2	5.6	
Dec-19	50.0	13.6	7.9	7.2	3.9	
Mar-20	47.7	14.2	7.4	7.0	4.6	
Jun-20	30.1	19.7	5.7	6.1	5.0	
Sep-20	41.9	22.2	3.5	10.4	4.9	
Dec-20	57.0	29.0	7.8	9.1	7.2	

(Source: CMIE Industry)

The maximum import of Plastic Film & Flexible Packaging for the CY 2020 were done from China with 37% followed by USA with 18% ahead of Thailand with 7% in terms of Capacity.

#### **Export Trend in India**





(Source: CMIE Industry)

The Plastic Film & Flexible packaging Industry in India shows a cumulative growth of 9.41% in Capacity of Exports from 4.09 LMT in CY 2016 to 5.86 LMT in CY 2020. However, we can see a marginal growth of 5.02% during CY 2019 to CY 2020 based on the Trade interruption created between countries by COVID-19. Also, we can see a growth of CAGR 12.04% in terms of value in exports during the tenure CY2016-2020.



#### Country-wise Export on Plastic Films and Flexible Packaging




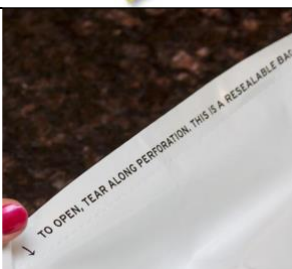
(in thousand MT)					
Quarter	USA	UAE	Germany	Italy	Nigeria
Sep-19	23.3	5.3	7.0	6.0	5.1
Dec-19	18.5	6.1	6.4	4.5	6.2
Mar-20	15.0	7.4	6.2	5.3	7.1
Jun-20	16.7	8.0	9.3	7.8	12.6
Sep-20	16.9	6.0	4.4	5.2	12.3
Dec-20	16.3	4.1	5.1	3.8	8.1

(Source: CMIE Industry)

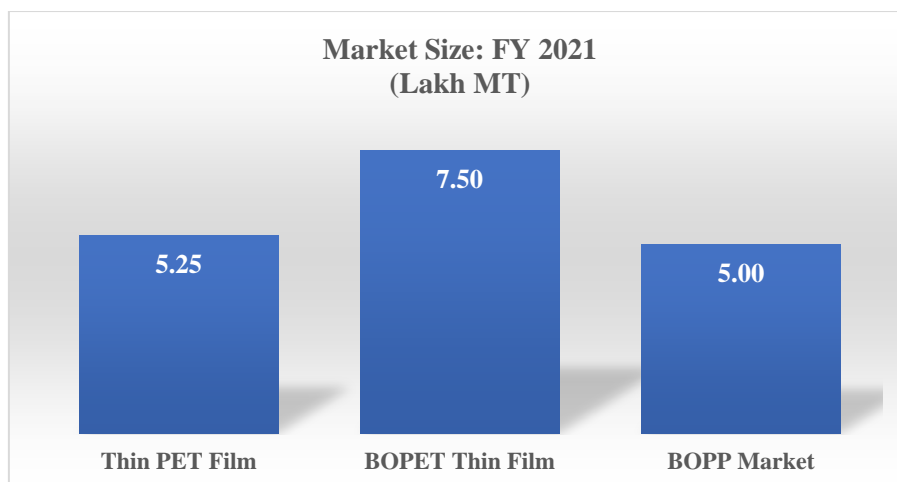
The maximum export of Plastic Film & Flexible Packaging for the CY 2020 were done by USA with 11% followed by Nigeria with 7% ahead of UAE with 4% in terms of Capacity.

Following table provides few examples of consumer benefits from the flexible packaging.

Consumer Benefit	Flexible Packaging Example	Example
Portability	Lightweight, easy to pack, on-the-go consumption, can withstand pressure in a bag and not burst.	
Cooking/ Microwavable	Ability to cook inside the pouch, without the need for other utensils or cooking pots & bowls.	

Consumer Benefit	Flexible Packaging Example	Example
Reclose/ Easy Open	Many flexible packages today use easy open or reclose features such as with shredded cheese, to keep unused food fresh without the need to use another container between uses.	
Less material to landfill	Flexible packaging is much less bulky when disposed, and being lightweight leads to less trash, and material to landfill.	
Freshness	Vacuum packed, Modified Atmosphere Packaging, High Pressure Packaging (ex. fresh avocado), extends shelf life without the use of preservatives.	
E-commerce protection and returns/size optimized ecommerce packaging	Flexible packaging can be used to cover and protect products shipped via e-commerce, without the need for an overbox for some product categories. Additionally, some product categories, like clothing and shoes, may have return rates up to 50%. Easy open and reclosable, flexible packaging options enable fast, easy, safe returns for consumers and retailers without new packaging.	

It is important to remember that while sustainability is an important attribute to consider when selecting an appropriate package; it cannot be considered alone and must be thought of more holistically through the product and package life cycle.



*(Source: compiled by CART, Industry Source)*

India is one of the world's biggest and fastest growing flexible packaging markets. The thin PET film market size in India is currently estimated at around 5,25,000 tons per annum. During FY 2020-21, growth of 9%-10% is



expected, with similar growth in the flexible packaging industry. The total current capacity of BOPET thin films in India is about 7,50,000 tons per annum with a large portion of the surplus being exported. The Indian BOPP market is currently estimated at about 5,00,000 tons per annum with a capacity base of 7,63,000 tons. Demand is expected to grow at around 9%-10% annually driven by Population Growth, Urbanisation, Improved Quality of Life, Increasing Environmental Awareness and Increasing Consumerism.

### ➤ **Forms of Flexible Packaging**

There are various forms of Flexible Packaging the details of the few forms are described below:

#### **1. Roll Form:**

- a. Packaging material manufactured in roll form are generally used in packaging of products for the food, pharmaceutical and cosmetics industries.
- b. The laminations are crafted out of an extensive range of industry approved materials such as polyethylene terephthalate, biaxially-oriented polypropylene, polythene, 3 layer barrier polyethylene, cost effective 5 layer high barrier polyethylene, cast polypropylene, aluminum foil, biodegradable, laminates, air bubble film, air insulation film etc.
- c. The packaging material manufactured in roll form generally have the following applications:
  - i. Hygiene and personal care: can be used to pack products such as shampoo, conditioners, henna, washes and other personal care items.
  - ii. Household industry: can be used to pack household and industrial cleaners, chemical products, etc.
  - iii. Food and beverage: can be used to pack both dry food products, snacks such as biscuits, dairy products, namkeen, spices, wafers, spices, frozen food, etc.

#### **2. Pouch Form:**

- a. Packaging material manufactures in pouch form is compatible for both dry and liquid products manufactured in various industries.
- b. There are various types of pouches such as vacuum pouch, zipper Pouch, standup pouch, gusset pouch, side seal pouch, spout pouch, window pouch, D-cut pouch, e-commerce bag, paper bag etc.
- c. The applications in different industries have been provided below:
  - i. Food and beverage industry: can be used to pack both dry and liquid food products, pet food, snacks, biscuits, rusks, spices, bundi, milk, frozen food, granular products like salt or sugar, etc.
  - ii. Hygiene and personal care industry: can be used to pack products such as dyes, shampoo and other personal care items in sachets and pouch form, vests, briefs, etc.
  - iii. Household industry: can be used to pack liquid and dry household and industrial cleaners, chemical products, etc.
  - iv. Agricultural industry: can be used to pack agricultural products such as manures, fertilizers, etc.
  - v. Pharmaceutical industry: can be used to pack ayurvedic medical supplies, medical bags, etc.
  - vi. E-commerce: can be used to cover and protect products shipped via e-commerce, without the need for an overbox for some product categories.

#### **3. Co-Extruded Films:**

- a. This film is generally used by end user and is customized films for vertical form-fill-seal applications such as meat, dried foods, mixes and chemicals.
- b. The packaging material manufactured in coextruded films generally have the following applications:
  - i. Hygiene and personal care: can be used to pack products such as shampoo, conditioners, washes and other personal care items such as wet wipes, etc.
  - ii. Household industry: can be used to pack household and industrial cleaners, chemical products, N-95 masks, etc.
  - iii. Food and beverage: can be used to pack both dry food products, snacks such as biscuits, namkeen, wafers, spices, frozen food, etc.

### **User Industry – Flexible Packaging Industry**

Flexible Packaging is a dependent Industry. It is one of the indispensable industries for other Industry as other industries would require the packaging solutions for their products. The growth of this industry is mainly dependent on its user industries viz – retail industry, pharmaceutical industry, FMCG, manufacturing etc. All

these industry requires the packaging of different types and sizes for their products. Thus the growth, demand and supply of these industries directly impact the growth of the packaging industry.



1. Retail industry gives the huge market to the flexible Packaging.
2. Retail Industry is expected to grow at 14.42% CAGR from US\$ 0.780 lakh crore in 2020 to US\$ 1.75 Lakh crore by end of 2026.
3. Development of Modern Supply chain and logistics will give growth to the packaging solution.
4. India is 5th largest global destination for Retail Space.



1. FMCG is 4th Largest sector in the Indian Economy.
2. The sector is estimated to have grown by 23.15% CAGR and reached US\$ 0.104 lakh crore by end of CY 2020. Also, it is expected to grow at 10% during 2020-21.
3. Growing awareness, easier access and changing lifestyles have been the key growth drivers for the sector.



1. Indian Pharmaceutical Industry is forecasted to grow at CAGR of 13.68% and reach US\$ 0.130 Lakh crore by FY 2030 from US\$ 0.041 lakh crore in FY2021.
2. As per the provisional figures given by Pharmaexcil, The sector has also shown a significant jump in Exports during FY 2020-21 and is at the top of past 8 years of export.
3. Pharmaceutical companies rely more on packaging and labelling to protect and promote their products, increase patient compliance, and meet regulations.
4. Plastic packaging is preferred for properties such as barrier against moisture, high dimensional stability and impact strength, low water absorption, etc.

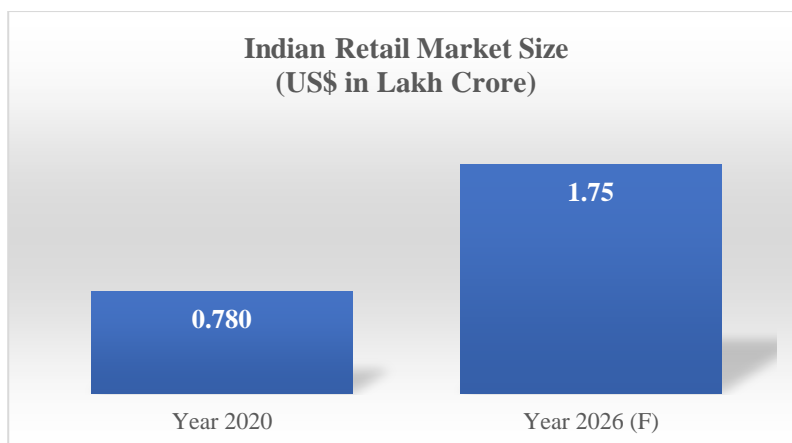


1. India's E-Commerce revenue is expected to jump from US\$ 0.039 lakh crore in 2018 to US\$ 0.111 lakh crore in 2024, growing at an annual rate of 19.04%.
2. Majority of the online shoppers are between the age of 15-24 years who comparatively pay more attention to appearance and are additionally more cautious about the quality of packaging of the products they buy.
3. E-Commerce offers possibilities for flexible Packaging with advantages, such as lightweight, energy saving due to less energy consumption of package production, possibilities to adjust it different products, small pack size and an ease of storage and disposal.

## Retail Industry

The Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. Retail is India's largest industry and accounts for over 10 per cent of the country's Gross Domestic Product (GDP) and around 8 per cent of the employment. India is the world's fifth largest global destination in the retail space. India ranked 16<sup>th</sup> in the FDI Confidence Index of 2019. Also, India ranked 2<sup>nd</sup> in the Global Retail Development Index (GRDI) in 2019. As per DPIIT, the FDI equity inflow received by the Indian Retail Trading during the period of April'2000 to December'2020 totaled to US\$ 0.003 lakh crore. Also, the Indian Retail Market attracted nearly US\$ 0.006 lakh crore from various venture capital funds and private equity in CY 2020. India's direct selling industry recorded sales of US\$ 0.002 lakh crore in CY 2019, improving its rank to 15 from 19 a year before. Consumer spending in India also increased from US\$ 0.245 lakh crore in Q3 of CY 2020 to US\$ 0.290 lakh crore in Q4 of CY 2020.

## Overall Retail Industry in India – Market Size

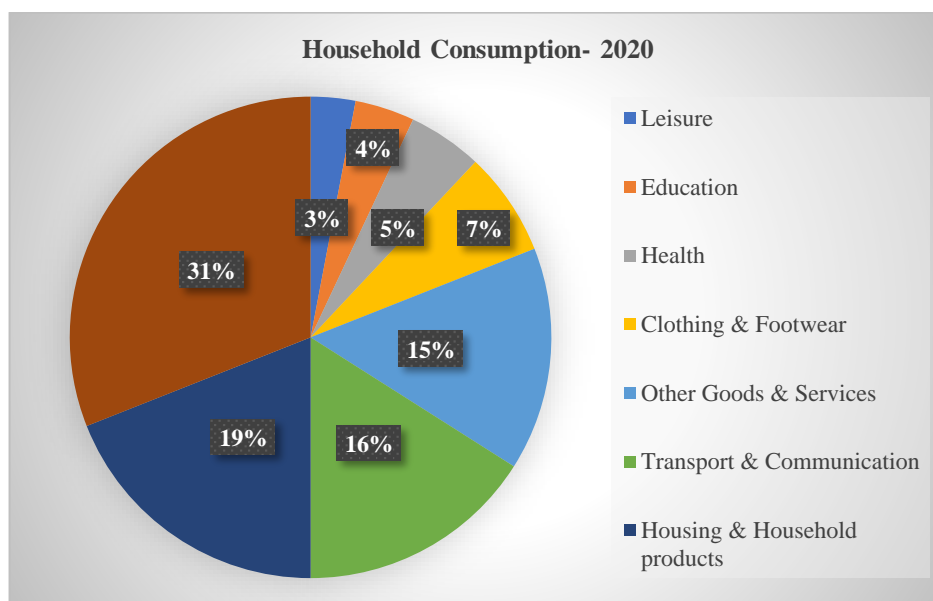


(Source – Invest India)

The Retail market reached to US\$ 0.780 lakh crore in CY 2020 and is expected to reach US\$ 1.75 lakh crore by CY 2026 at a CAGR of 14.17 per cent due to various factors such as Urbanization, Income Growth and rising number of Nuclear families. India is largely an unorganized retail market that contributes nearly 88% of the total retail sector. The organized retail sector contributes only for US\$ 0.060 lakh crore while the rest comes from the unorganized sector. The share of the organized retail market is projected to increase to 22-25% by CY 2021, thereby reducing the unorganized retail market's share to 77%. The organized retail market therefore has the potential to reach approx. US\$ 0.140-0.160 lakh crore.

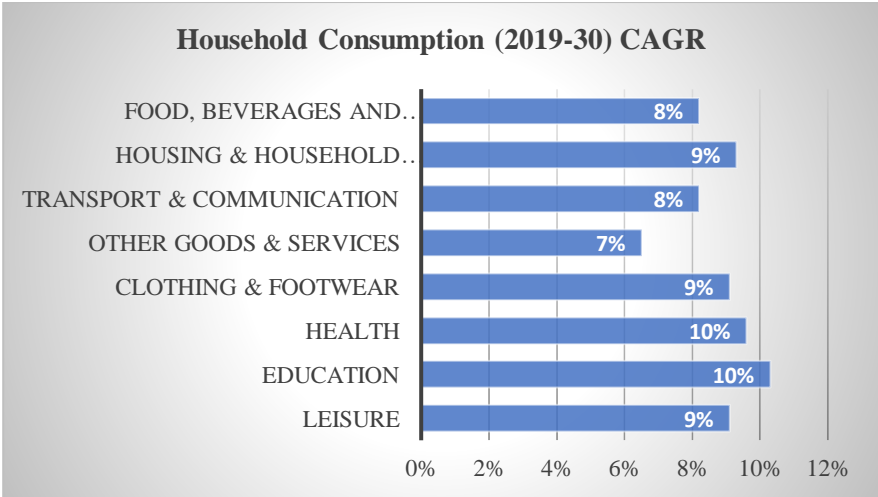
➤ **Household Consumption**

The household consumption in India is growing due to growth in nuclear families, enhancement in lifestyle, growth in purchasing power raised by income and various other factors. The Household consumption in India has increased from INR 35-45 Lakh crore in CY2010 to INR 130-135 Lakh crore in CY 2020.

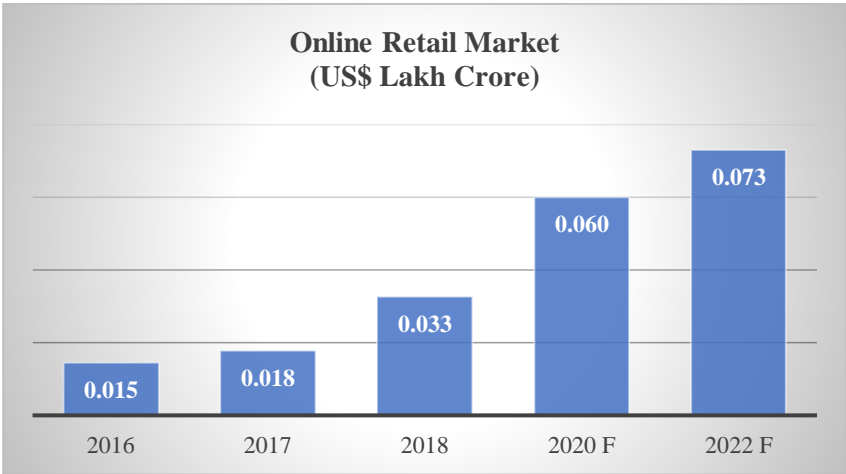


(Source: ASSOCHAM, CART)

The increase in Household consumption expected during the tenure of 2019-2030 is given in the below chart:



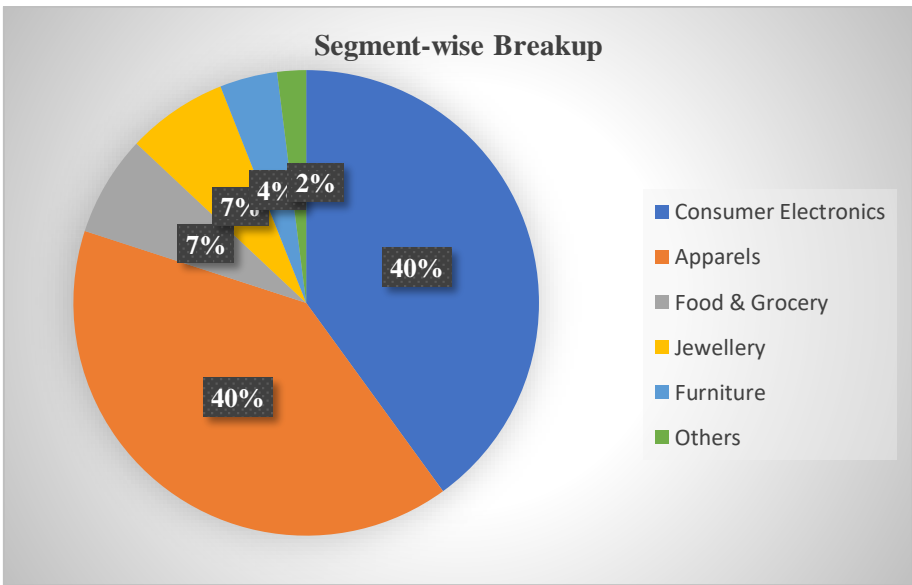
The top 5 Retail Market Players in India account for less than 5% of Market Share in CY 2020. However, based on the proposed growth factors it seems to be forecasted as more than 10% by CY 2030.



(Source – MRRSIndia and Assocham)

India is expected to become the world’s fastest growing e-commerce market, driven by robust investment in the sector and rapid increase in the number of internet users. Various agencies have high expectations about growth of Indian e-commerce markets.

**Segment-wise Break-up of Online Retail Market by Value (CY 2020)**

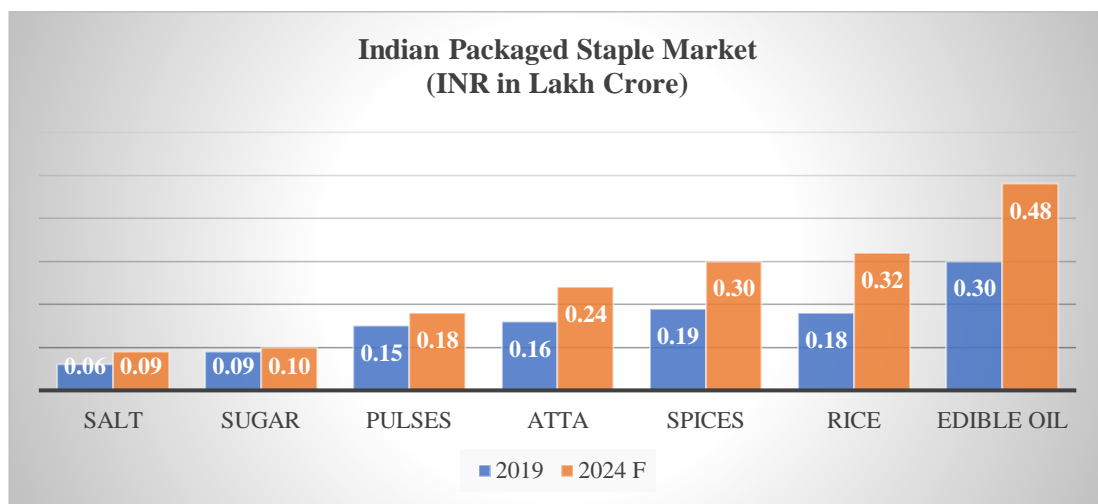


The major proportion of segment wise breakup in the e-commerce retail contains of Consumer Electronics and Apparels followed by Food & Grocery, Jewellery, Furniture and others.

**COVID-19 impact:**

The retail sales decreased by 3% for the first time in decades from INR 47-48 lakh crore to INR 46-47 lakh crore. Under this, the Brick & Mortar suffered the most by getting their sales down by nearly 4% whereas the e-commerce industry was boosted by nearly 28%. The in-store spending in USA, France and China went down by 3%, 4% and 7% while that spent in online were considerably increased by 36%, 17% and 20% as compared to the pre-covid levels.

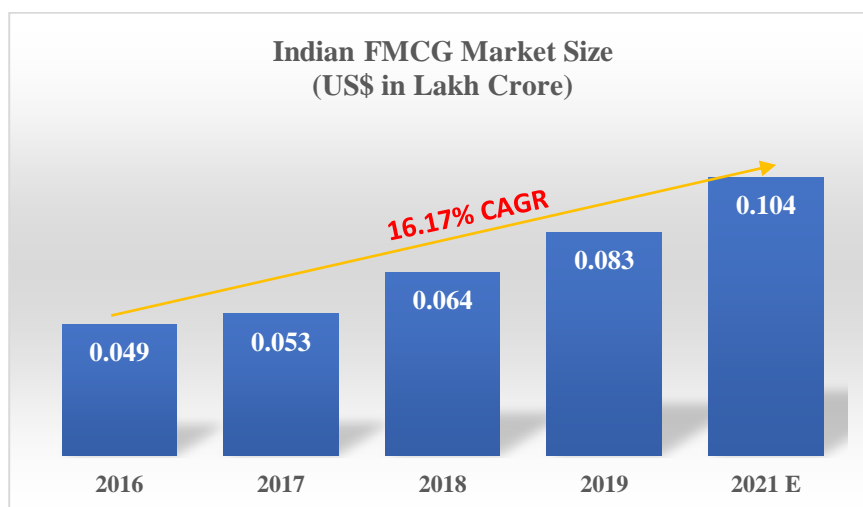
People have become more conscious on hygiene and quality of food product which has raised the demand for packaged and contactless products. As per Retail Association of India-BCG Report, the Indian Staples Market is expected to grow at a CAGR of 9-10% during CY 2019-2024. The details with respect to the same is given in the chart below:



(Source: ASSOCHAM)

**FMCG Industry:**

Favorable demographics and rise in income level to boost FMCG market. FMCG market in India is expected to grow at a CAGR of 23.15 per cent and is estimated to reach US\$ 0.104 lakh crore by FY 2021 from US\$ 0.068 lakh crore in FY 2018.

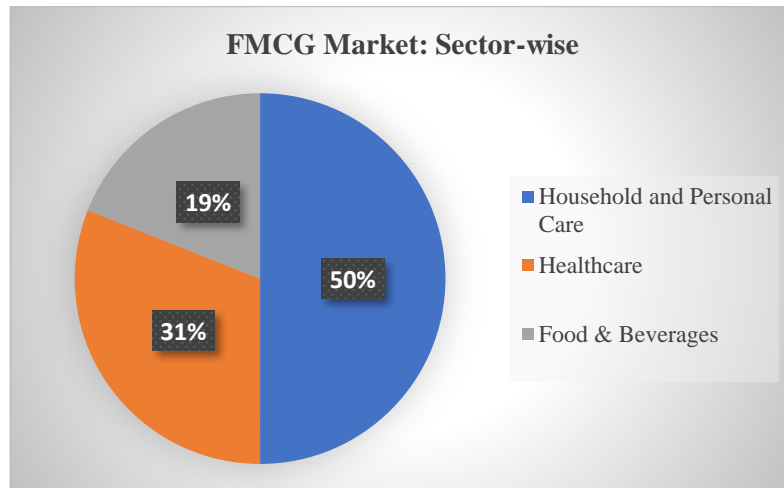


(Source – World Bank, Company Reports, CART)

### Evolution of FMCG in India

- FMCG is the 4th largest sector in the Indian economy.
- Growing awareness, easier access and changing lifestyles have been the key growth drivers for the sector
- The sector is expected to grow by 10% by the end of 2021.

### Sector-wise breakup in FMCG

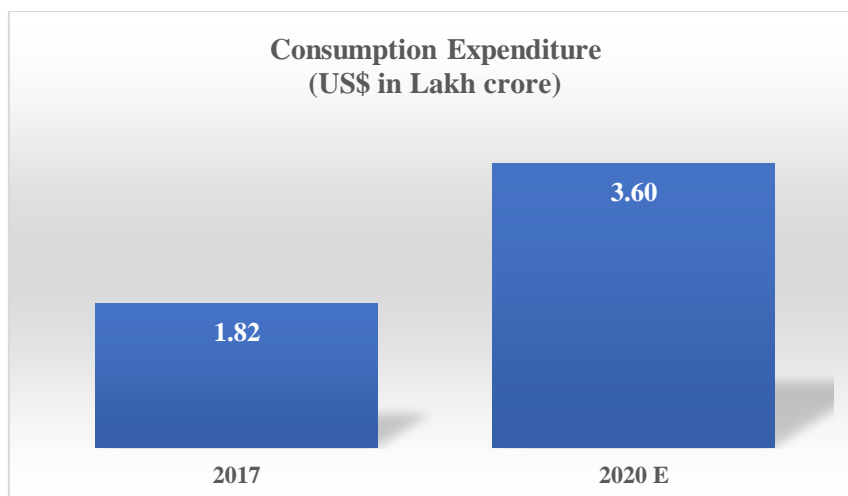


(Source: Media Reports)

- Household and Personal Care is the leading segment, accounting for 50 per cent of the overall market and includes Oral Care, Hair Care, Skin Care, Cosmetics/Deodorants, Feminine Hygiene, Perfumes, Paper Products, Fabric Wash and Household Cleaners.
- The Healthcare accounts for 31% of the sector and includes OTC Products and ethical.
- The Food & Beverage accounts for the remaining 19% of the sector and includes various products such as Health Beverages, Bakery Products, Snacks, Chocolates, Ice cream, Staples/Cereals, soft drinks, processed fruits and vegetables, dairy products, and branded flour.

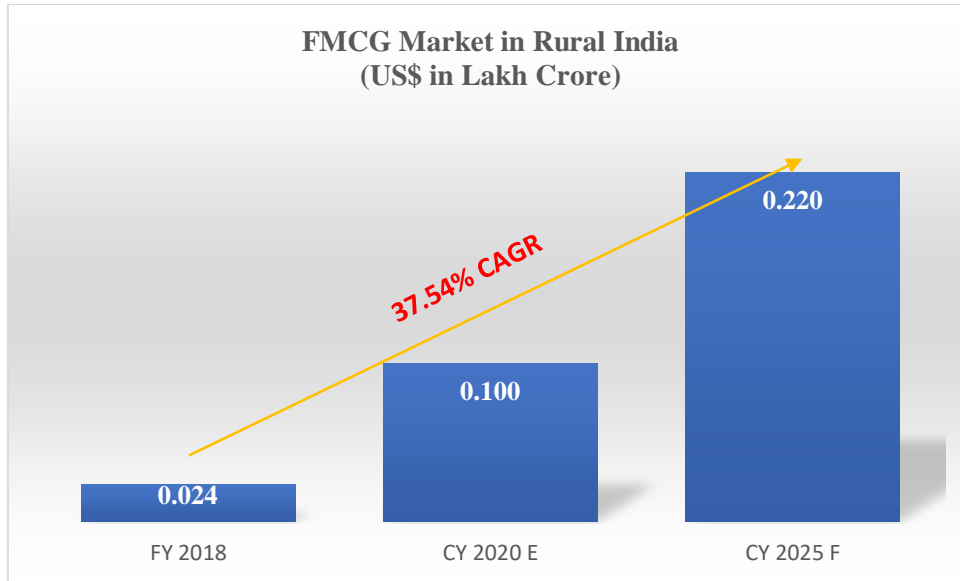
### Final Consumption Expenditure

The FMCG market is boosted by increase in income and better demographics. The Final Consumption Expenditure is set to rise during the period of CY 2017-2021 at a CAGR of 25.44% and is estimated to attain nearly US\$3.60 lakh crore by CY2020 from US\$1.82 lakh crore in CY2017.



(Source: World Bank, Company Research and CART)

### Rural FMCG Market

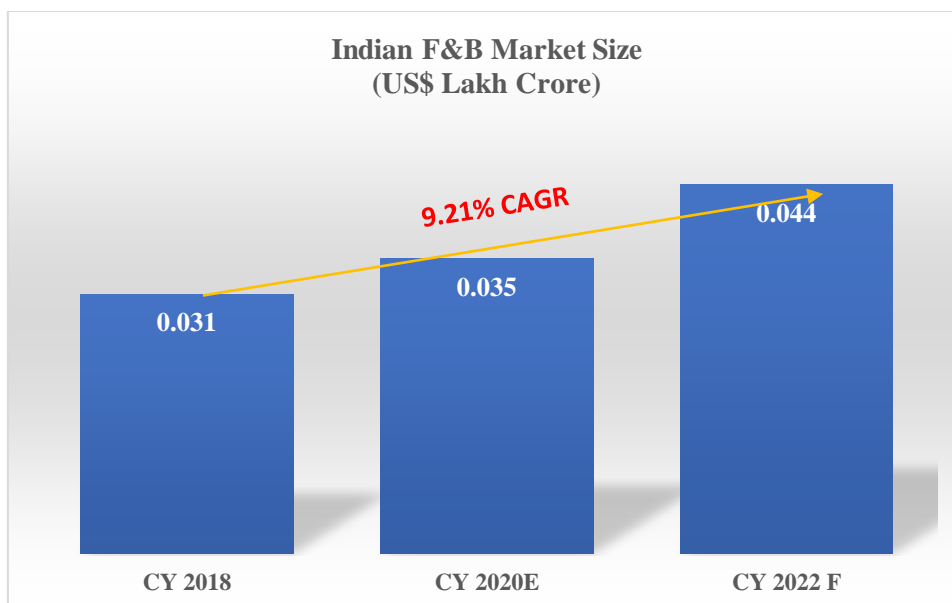


(Source: Company Reports and Industry Sources details compiled by CART)

The FMCG Market in Rural India is expected to show a considerable growth at a CAGR of 37.54% and is estimated to have reached US\$ 0.100 lakh crore in CY 2020 whereas forecasted to reach US\$ 0.220 lakh crore by CY 2025 from US\$ 0.024 lakh crore of CY 2018. This expected growth is driven by Internet Usage, Digitalization of economy, Mobile phone users, growth in per capita income in Rural India and most importantly the upgraded distribution channels of FMCG companies. Demand for quality goods and services is on an upward trajectory in rural areas and from October 2020 to December 2020, the FMCG Market rose by 7.1% driven by food items, health, hygiene and rural areas. The contribution of India to the total global consumption of FMCG is expected to more than double to 5.8% by 2020. The E-commerce segment is forecast to contribute 11% to the overall FMCG sales by 2030.

### Indian Food & Beverages Market Size

The food and beverages market accounts for nearly 3% of India's GDP and is the single largest employer in the country, with more than 73 lakh workforce.



(Source: compiled by CART, Industry Source)

The Indian Food & Beverages sector had a market size of US\$ 0.031 lakh crore in CY 2018 which is now expected to reach US\$ 0.035 lakh crore due to the impact of pandemic on Hotel and Restaurant business. However, it is projected to increase by 25% from CY 2020E and reach US\$ 0.044 lakh crore CY 2022. India's US\$ 0.05 lakh

crore restaurant industry is set to lose a nearly US\$ 0.009 lakh crore in CY 2020 due to COVID-19 restrictions according to the National Restaurant Association of India (NRAI).

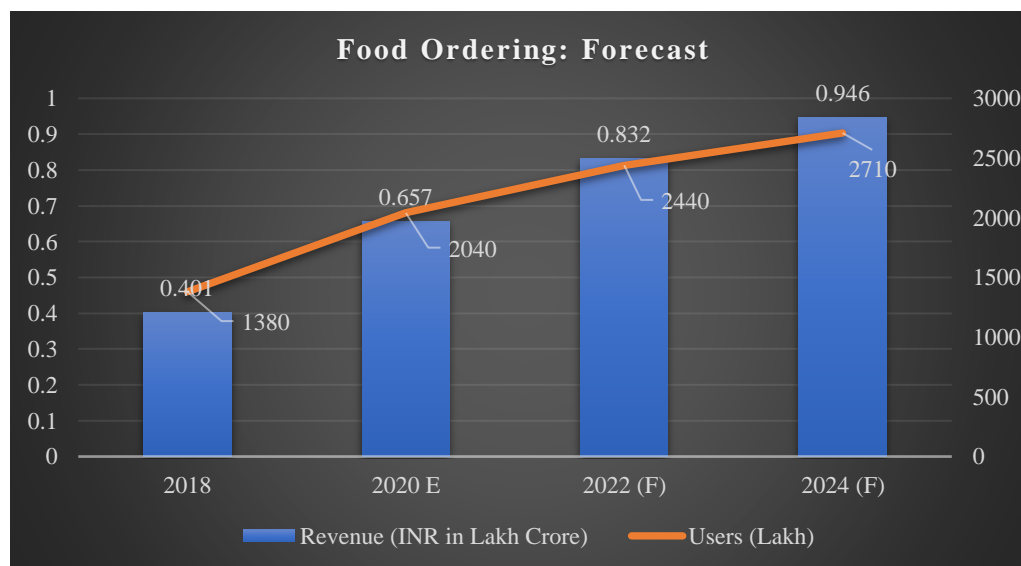
In India, the takeaway and drive-through contributed for nearly 1% of the overall revenue of the restaurant industry as compared to 15-20% in US and Europe during Pre-Covid phase. However, considering the phase wise release in restriction and fast-growing vaccination rate it seems that the market may go up to 15-20% over the next 6-9 months.

Leading FMCG Companies in Food & Beverages Segment along with key products	
ITC	Aashirvaad, Sunfeast, Bingo! Yippee! Kitchens of India, B Natural, mint-o, Candyman
HUL	Knorr, Lifeboy, Lipton, Pepsodent, Pond's, Vaseline, Bru Coffee, Brook Bond Tea, Kissan, Kwality Wall's,
Amul	Amul Milk, Cheese, Ice Cream, Mithai Range, Chocolates, Butter milk, Beverages
Parag Milk Foods	Ghee, Fresh Milk, Skim Milk Powder, Whole Milk Powder, Paneer, Processed and Natural Cheese, Cheese Spreads, Butter, Dahi, Dairy Whitener and Gulab Jamun Mix under the brand names of 'Gowardhan' and 'Go'
Parle Agro	Frooti, Café Cuba, Hippo, Maaza, Parle-G, Melody, Mango Bite, Poppins, Kismi Toffee Bar, Monaco and Krack Jack
PepsiCo	Cheetos, Kurkure, Lehar Namkeen, Aquafina, 7UP, Pepsi, Tropicana, Uncle Chipps
Britannia Industries	Dairy products, Biscuits (Vita Marie Gold, Tiger, Nutrichoice Junior, Good day, 50 50, Treat, Pure Magic, Milk Bikis, Good Morning, Bourbon), breads, etc.
Nestle	Nescafé, Kit Kat, Maggi, etc.

Key user segments of flexible packaging are: fresh and frozen foods, beverages, pharmaceuticals, snacks and confectionery, dairy products and shopping bags. The utility of flexible packaging arises from properties of aroma retention, sealing and heat insulation, barrier against moisture and strength.

### Food Ordering:

People used to order food from Restaurants which involves proper packaging so as to maintain the hygiene, quality, freshness and avoid spoilage. The Food Ordering business in India is expected to grow at 15% CAGR (Revenue) and 12% CAGR (Users) from INR 0.401 Lakh crore in CY 2018 to INR 0.946 Lakh crore (CY 2024) and from 1380 lakh users in CY 2018 to 2,710 lakh users in CY 2024.

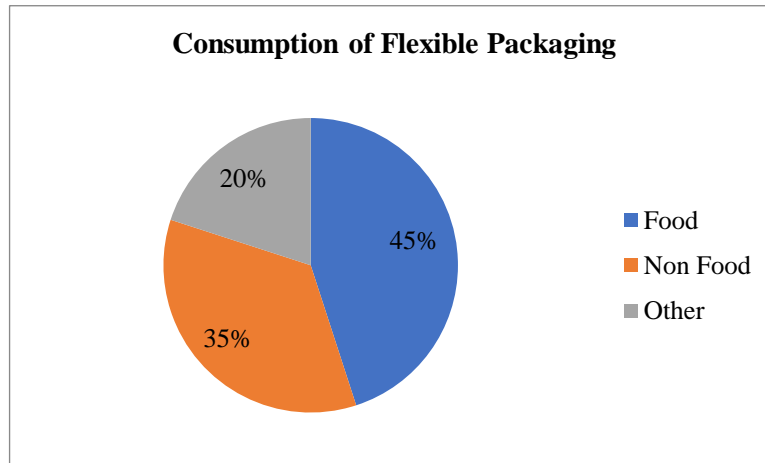


(Source: Retail Association of India (RAI))

This growth trajectory is estimated based on the following factors:

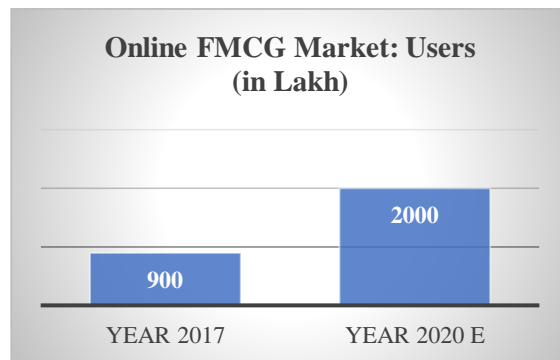
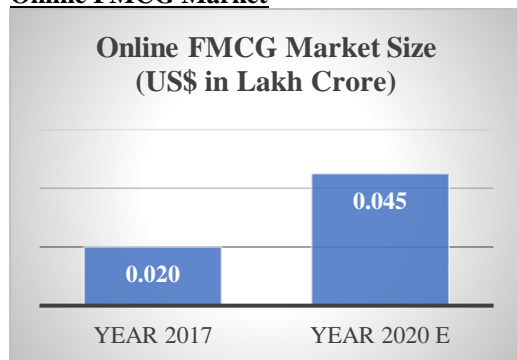
- Urbanization and acceptance of online food delivery in Tier 1 and 2 cities.
- Smartphone and internet adoption driving more users (expected growth from 12% in 2019 to 19% in 2024)





(Source: Industry Source)

### Online FMCG Market



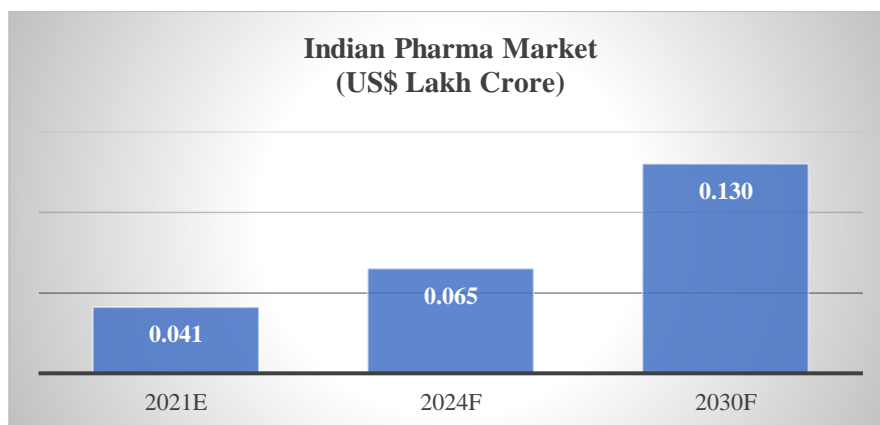
(Source: Company Report and Industry Sources)

- The number of internet users in India is likely to reach 0.001 lakh crore by 2025.
- The Online FMCG Market is expected to have grown at CAGR 31.04% to US\$ 0.045 lakh crore by the end of CY 2020 from US\$ 0.020 lakh crore in CY 2017, backed by online user growth from 900 lakh in CY 2017 to 2,000 lakh in CY 2020.
- The Online Grocery Market of India is estimated to exceed its sales of around US\$ 0.003 lakh crore in 2020, a significant jump of 76% over the previous year.
- About 72% of Indian customers are most likely to shop online for premium products.

### Pharmaceutical Industry

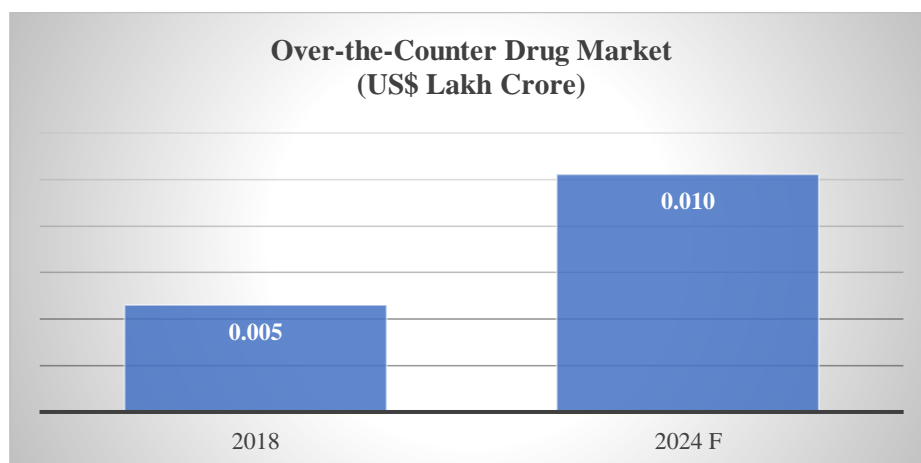
Besides Food & Beverage, pharmaceuticals' are another major user of packaging. India's domestic pharmaceutical market is witnessing double digit growth. India is the largest provider of generic drugs globally and accounts for 20% of global generic drug exports (in terms of volume). Also, India ranks 3<sup>rd</sup> in terms of Pharmaceutical production by volume and 14<sup>th</sup> by value.

The domestic Pharmaceutical industry includes a network of 3,000 drug companies and nearly 14,000 manufacturing units. As per the Indian Economic Survey 2021, the domestic pharma market is expected to grow three times in the upcoming decade.



(Source: Department of Pharmaceuticals and Industry Reports and CART)

The Indian drugs and pharmaceuticals sector received cumulative FDI of US\$ 0.018 lakh crore during April 2000 to December 2020. The domestic Pharmaceutical market of India is estimated at US\$ 0.041 lakh crore in FY 2021 and likely to reach US\$ 0.065 lakh crore by FY 2024 and then expand to nearly US\$ 0.12 to 0.13 lakh crore by FY 2030. The Ayurveda sector of India reached US\$ 0.004 lakh crore by the end of CY 2018 and is expected to grow at CAGR 16% until CY 2025. The generic drug market accounts for nearly 70% of the Indian Pharmaceutical Industry.

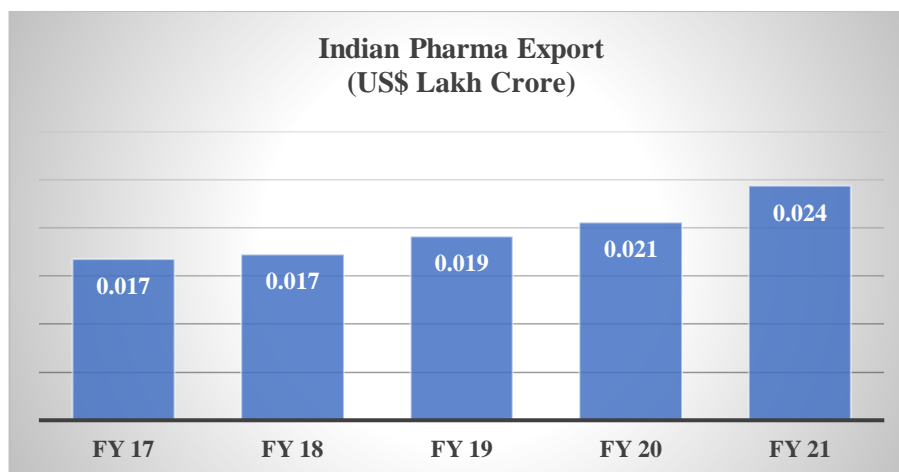


(Source: Media Report)

The Over-the-Counter (OTC) Drug Market of India is estimated to have grown at a CAGR of 16.3% to US\$ 0.007 lakh crore during 2008-16 and is further expected to grow driven by the penetration of Chemists, especially in rural areas.

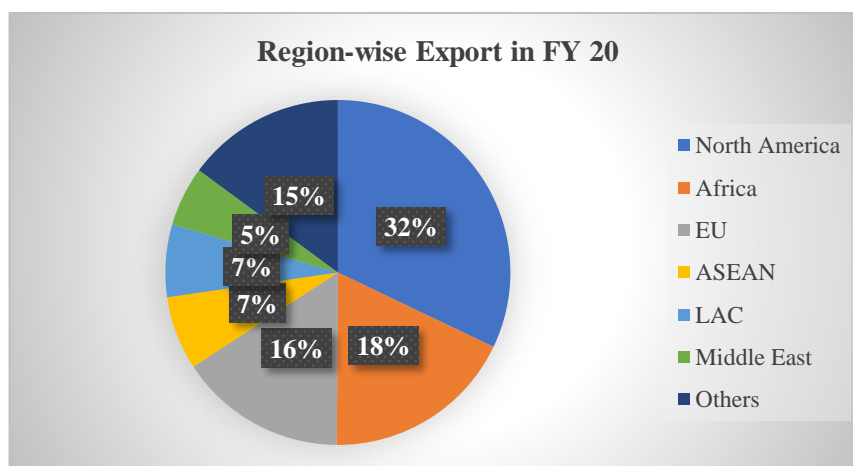
The country's OTC Market was US\$ 0.005 lakh crore in CY 2018 and is forecasted to grow at CAGR 14.19% to US\$ 0.010 lakh crore by CY 2024 driven by the increase of Medical Infrastructure in Rural regions and the patient's showing propensity to self-medicate.

### Indian Pharma Trade



(Source: Media Reports and Pharmexcil)

Indian drugs are exported to more than 200 countries globally with USA as its major market. The Indian generic drug accounts for nearly 20% of the global export of generic drug by volume. The Indian Pharma export grew by 18.7% to US\$ 0.24 lakh crore in FY21 which was the best growth seen in last 8 fiscal years driven by the strong demand of Indian Generic medicines. As said by the Centre's Department of Commerce, Pharmexcil, the drug formulation and biologicals remained the 2<sup>nd</sup> largest commodity exported by India. As per the provisional figures, India generated nearly US\$ 0.002 lakh crore by export in the month of March'2021 which was highest during the fiscal and 48.5% more than March 2020's export of US\$ 0.002 lakh crore.



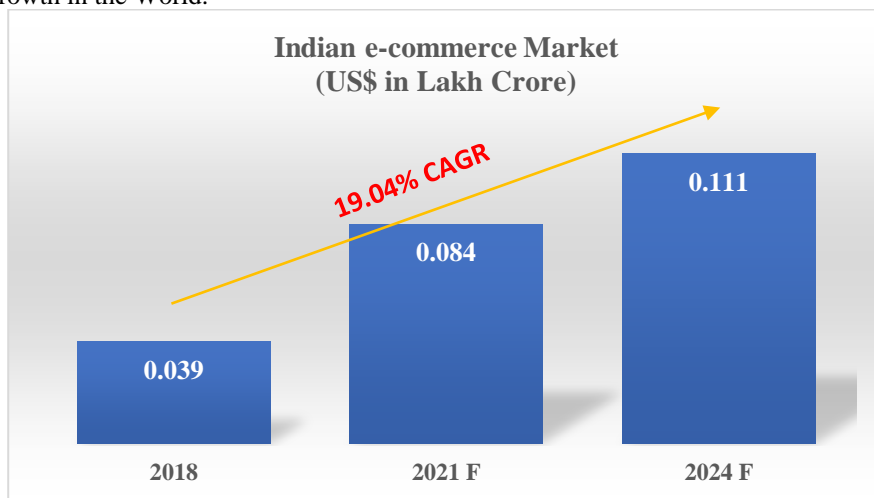
The destination for biggest export of India's pharma product was observed to be US. India supplies more than 40 per cent of generics to the US market. During 2020 and 2021, India exported most of its pharmaceutical products to North America, accounting for nearly 32.1% and 34.0% of share respectively. Also, during FY21, exports to the U.S., Canada and Mexico recorded a growth of 12.6%, 30.0% and 21.4% respectively. Also, there is a demand for Indian Pharmaceuticals in non-traditional markets such as Latin America (growth of 14.5%), CIS (growth of 23.5%) and Middle East (17.5%). India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level. Presently over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms. Pharmaceutical exports include bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products and surgical. India's biotechnology industry comprising biopharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics is expected grow at an average growth rate of around 30 per cent a year and reach US\$ 0.1 lakh crore by 2025.

Pharmaceutical Packaging is now becoming the major part of the drug delivery system. Pharmaceutical companies rely more on packaging and labelling as media to protect and promote their products, increase patient compliance, and meet new regulations. Besides this, plastics have been gaining increasing importance in packaging of pharmaceutical goods due to properties such as barrier against moisture, high dimensional stability, high impact strength, resistance to strain, low water absorption, transparency, resistance to heat and flame etc. Therefore, due

to increasing expertise in the packaging of F&B, medicinal, home & personal care and other heavy industrial products, plastic packaging segment is expected to capture the packaging demand. Additionally, India is growing as a manufacturing hub and the exports are also growing. To cater to the international market, the packaging standards are being uplifted which calls for adopting better packaging methods, materials and machineries to make sure that the quality of end product and visual appeal is top notch. Moreover, highly favourable demographic patterns in India such as increasing working age population, growing disposable income, growth in middle class, ongoing urbanisation and changing lifestyles etc. will further drive the growth of packaging industry in India.

### **E-Commerce Industry**

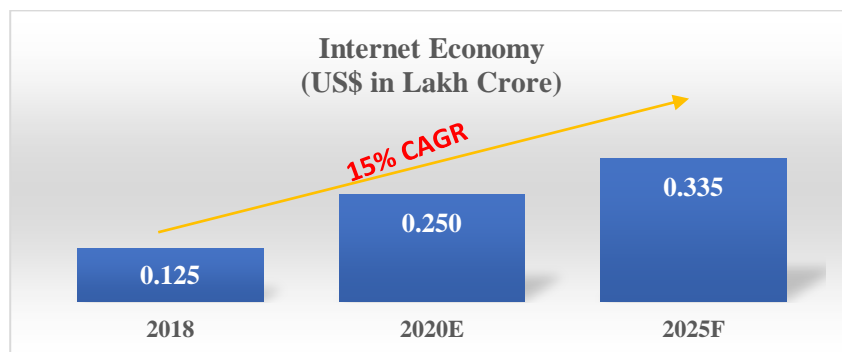
Packaging for E-Commerce products delivered from one place to another need to consider more factors like product safety, ease of storage & transportation, etc. and so has to be different from the usual retail industry. Receiving an E-Commerce package is almost like receiving a gift that one bought for oneself and this brings challenges and opportunities for the Packaging Industry. India ranked 73<sup>rd</sup> in the United Nations Conference on Trade and Development’s Business-to-Consumer (B2C) e-commerce Index of 2019. India also ranked 63<sup>rd</sup> in World Bank’s Doing Business 2020. According to Payoneer Report, The Indian E-Commerce sector ranked 9<sup>th</sup> in cross-border growth in the World.



*(Source: Media Reports and Industry Sources)*

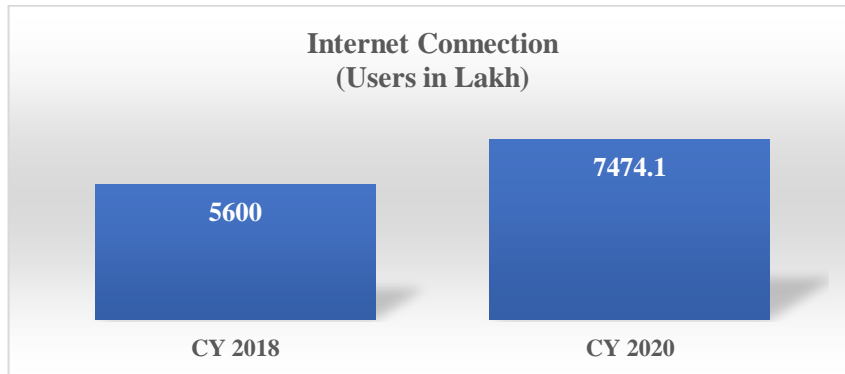
The E-Commerce sector is expected to grow at a CAGR 19.04% during the period CY 2018 to CY 2024. This growth in the sector is driven by the increase in Number of Mobile User, Internet Connection, grocery and fashion/apparel. According to the Forrester Research, the Indian e-commerce sales rose by 7 to 8% in 2020. The online Grocery Market of India is estimated to reach US\$ 0.018 lakh crore in CY 2024 from US\$ 0.002 lakh crore in CY 2019, increasing at a significant CAGR of 57%. The E-commerce sector of India is projecting to increase from 4% of total food and grocery, apparel and consumer electronics retail trade in 2020 to 8% in 2025. The e-commerce order volume in India rose by 36% in the last quarter of 2020, with personal care, beauty and wellness segment being the largest contributor.

### **India’s Online Commerce Growth**



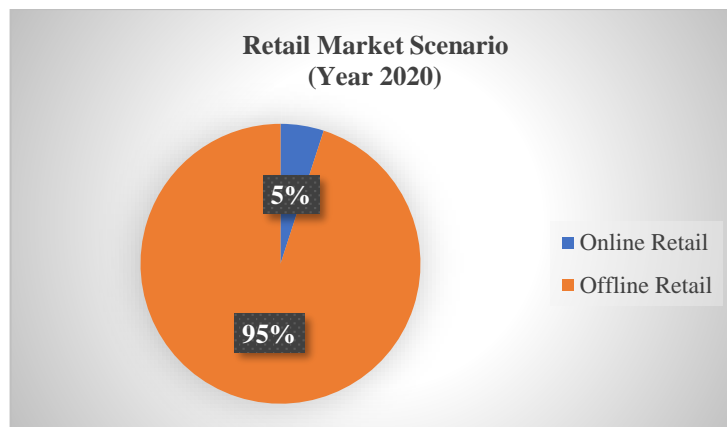
*(Source: Media Report and Industry Source)*

India's digital sector is expected to increase tremendously from US\$ 0.125 lakh crore in 2018 to US\$ 0.335 lakh crore by 2025. The Online shoppers in India are expected to reach 2,200 lakh by 2025 and the penetration of online Retail Market is expected to reach 10.7% by 2024 from 4.7% in 2019. During the festive season of CY20, the Indian e-commerce market recorded nearly 880 lakh users and that's a remarkable growth of 87% over the previous festive season. The Government of India is planning to create a Lakh crore Dollar Online Economy by 2025 through its 'Digital India Campaign'.



(Source: compiled by CART, Department of Telecommunication and TRAI)

In CY 2020, the no. of internet connections in India significantly showed an increase to 7474.1 lakh users from 5,600 lakh in CY 2018. This growth was driven by the Digital India Programme. Also, the penetration of Internet connection in Rural India is expected at 45% by the end of CY 2021 from 22% in CY 2020. According to Bain & Company report, India's social commerce gross merchandise value (GMV) stood at nearly US\$ 0.002 lakh crore in 2020. By 2025, it is expected to reach US\$ 0.020 lakh crore, with a potentially monumental jump to US\$ 0.070 lakh crore by 2030, owing to high mobile usage.



The penetration of online Retail Market in the Total Retail Market is expected to rise from 5% in 2020 to 8% in 2030. Majority of the online shoppers are between the ages of 15-24 years and as it is well known, the younger generation comparatively pay more attention to appearance and are additionally more cautious about the quality of packaging of the products they buy. At the moment, mostly plastic is the material used for Packaging in a variety of industries, e.g. in the FMCG and Pharmaceutical industries. Changing consumer lifestyles towards ready-to-eat products are driving growth of flexible Packaging, with food already accounting for 38% of the flexible Packaging market. If food or drinks are ordered online, the packaging should ensure no loss in quality. Conventionally, home-delivered food products in India are simply packed, but the increasing awareness of hygiene and demand for good quality food is now bringing about change in the packaging of food deliveries. Similarly, for products like apparel, which do not require rigid boxes for protection, E-Commerce offers possibilities for flexible Packaging with advantages, such as lightweight, energy saving due to less energy consumption of package production, possibilities to adjust it different products, small pack size and an ease of storage and disposal as compared to rigid packaging.

But with a growth in E-Commerce, the demand for rigid Packaging, such as cartons or corrugated boxes is also increasing as these are especially used when products such as electronics require firm packaging for protection – also considering poor road infrastructure in many parts of the country. When people order products online, they

expect it to be delivered without any damage. For this, the retailers have to design qualitative Packaging that is easy to transport and not too heavy or spacious. With the increasing penetration of E-Commerce among traditional retailers, like groceries & pharmacies, Packaging becomes an important aspect for them as well.

Visually appealing Packaging is another factor that positively affects online sales. If a package is designed attractively, the product is assumed to be of high quality, the same way as premium products are expected to be packaged in an attractive and consumer friendly manner. According to a research, about 60% of consumers share the product image on social media if they liked it and this group may also recommend the product to others which consecutively improves sales. Sellers have to be aware that improper Packaging can lead to negative brand perception. Along with quality, the cost of Packaging is important for an online seller, thus the demand for good quality and economic Packaging is ever increasing. Adaptations and innovations in Packaging improve the economy in terms of preservation, maintenance of quality and prolonged shelf life. In a nutshell, packaging for E-Commerce products should secure the product, be easy to handle & transport, should enhance the brand image and must be cost effective.

### **Key growth drivers for packaging industry**

Indian packaging industry is fragmented with unorganized players having a larger share of the segment. However, with increasing awareness, better products and shrinking cost advantages, the industry is expected to tilt towards organized players. The packaging sector in 2015 was valued at US\$ 0.032 lakh crore and is estimated to have reached US\$ 0.073 lakh crore in fiscal 2020. India's per capita packaging consumption is increased to 8.6 kg but, it still has a wide scope of rise as other developing countries like Taiwan and Germany having approx. 19kg and 42kg per capita consumption respectively.

The Indian packaging industry is expected to have a considerable growth based on the following factors:

- Rise of organized retail
- Growth in smaller packages due to nuclear family and increasing rural penetration
- Demand for better packaging resulting from E-commerce boom
- Growing trend of packed foods to increase shelf life of food products
- Packaging being used as a branding tool
- Growing penetration of packaged food driven by new applications in food retailing, higher disposable Incomes
- New converting and packaging equipment, which have increased applications of poly films

India's fast growing and increasingly sophisticated middle class is driving demand for an ever growing range of higher value processed food products which utilize flexible packaging. Currently barely 5% of food in India reaches the consumer in pre-packaged form.

### **Other Demand Drivers:**

- **Urbanization:**

Modern technology is now an integral part of nation's society today with high-end package usage increasing rapidly. As consumerism is rising, rural India is also slowly changing into more of an urban society. The liberalization of the Indian economy, coupled with globalization and the influx of the multi-nationals, has improved the quality of all types of primary and secondary packaging. Also industrialization and expected emergence of the organized retail industry is fuelling the growth of packaging industry. India, China and Nigeria – together are expected to account for 35% of the growth in the world's urban population between 2018 and 2050. Growth in the urban population is driven by overall population increase and by the upward shift in the percentage living in urban areas. The per capita consumption of plastics in India is low at 9.7kg as compared to world average of 27 kg, 45kg in China and 32 kg in Brazil. Also, the packaging consumption in India has raised from 4.3kg per person per annum to 8.6 kg per person per annum. However, this is also quite less than many developing and developed nations. So, there is a huge growth in Packaging demand in India.

- **Increasing Health Consciousness:**

As people are becoming more health conscious, there is a growing trend towards well packed, branded products rather than the loose and unpackaged formats. Today even a common man is conscious about the food intake he consumes in day-to-day life. Also, due to governments initiative for increase in Ayurveda, there is an increased

awareness of including Ayurveda in day-to-day life. This increases the market for Ayurveda medicines and supplements.

- **Increasing Environmental Awareness:**

Owing to increasing global environmental awareness, Plastics films are gaining popularity owing to lower environmental impact (emitting lower greenhouse gases and lighter in weight). Flexible packaging offers a number of sustainability benefits throughout the entire cycle of the package when compared to other packaging options.

- **Changing Food Habits amongst Indians:**

Changing lifestyles and lesser time to spend in kitchens are resulting in more incidence of eating away from homes resulting in explosive growth of restaurants and fast food outlets all over the country. There is a shift in Indian Household from Joint family to Nuclear family that raises the lifestyle of people. Also, Indians are trying out newer cuisines and also purchasing similar food items for their homes. Therefore, the review period has seen new products like pasta, soups, and noodles being launched in India, fuelling the growth of packaging industry in India.

- **Personal health consciousness amongst Indians:**

With growing awareness towards contagious diseases, awareness towards usage of contraceptives and disposables syringes have increased the demand for packaging required for the same.

- **Increase in Rural Consumption leads to growth in retail sector**

India comprises of a big rural market and there has been growing focus on rural marketing. Rural consumption has increased, led by a combination of increasing incomes and higher aspiration levels; there is an increased demand for branded products in rural India.

- **Food Waste Reduction**

Approximately one-third of all food produced is disposed of before it is consumed, resulting in 0.001 lakh crore tons of food thrown out annually. Food waste is also a major contributor to global greenhouse gases and is a large contributor of methane gas at landfills. Packaging, in general, and flexible packaging in particular can help reduce food waste through methods such as portion control (to prevent overuse and waste) and extending food shelf life.

- **Digitalization**

The usage of Smart Phones and Internet Connections along with wireless connectivity has shown a significant growth in the country under 'Digital India Campaign'. This increase in digitalization has made people connect with the world and increase the spot for Online Retail Market, Food Ordering, e-commerce, etc. Also, through User friendly digital payments it has become very easy and transparent to customers for processing transaction. Due to Pandemic, lots of people have re-migrated to their hometown, native place, tier-2 and tier-3 cities opting the new normal of Working from Home. The expenses in these cities and rural regions is quiet less than that in metro-cities. Hence, this maximizes their savings and increases purchase power. Therefore, there is a good scope of Retail market, FMCG, Pharmaceuticals and E-commerce in Tier-2 and Tier-3 cities and rural India (as it is 70% of India's population).

### **Challenges Faced by the industry**

With nearly 50% of packaging needs catered by plastics in India, the domestic market is third largest consumer of polymers and a growth in plastic demand is expected to boost the consumption further. Besides FMCG sector, growth is also driven by growing construction industry and adoption of advanced coating, ceiling and polymer-based reinforcing material in construction as well as plastics, paints and coatings for the automotive segment. Availability of raw material is a major challenge. For e.g. Crude is the feedstock required for these products and India is relying on heavy imports of crude to meet its requirements. Also, Volatility in the Prices of crude oil and exchange rate has led to increase in price pressure and lower profits in spite of high volume realizations. The plastic packaging industry primarily driven by the consumer goods sector often faces the issue of low margins, as most of the end products are coming from the imported raw materials and hence profit margins are highly dependent on Import prices.

- **Sustainability**

The largest challenge with flexible packaging today is the lack of recycling options for multi-material films, such as potato chip bags and metalized or foil pouches (such as drink pouches and baby food pouches), which are difficult to separate into their various material substrates. The characteristics of strength, barrier, and limited use of resources applied through the use of multiple thin layers of film make recycling and separating multi-material structures more challenging than other package formats, which can often be comprised of a single layer of material, such as PET used for water bottles.

- **Lack of Domestic Technology:**

Indian manufacturing industry has seen a shift from low output/ low technology machines to high output/high technology machines, and the domestic plastic processing industry is no exception. With more focus on increasing the capacity utilization, focus to develop a state-of-the-art R&D is dying down. Domestic machinery is manufactured as per the present-day technologies for improving productivity and energy efficiency, in order to enable processors to compete on the global front. Most technical components are imported from Europe, the U.S. and Japan. These imports invite 7.5 per cent customs duty resulting in huge losses.

However, India's technology needs are acute in areas like high production and automatic blow moulding machines, multilayer blow moulding, Stretch/Blow Moulding Machines, specific projects involving high capital expenditure like PVC calendaring, multilayer film plants for barrier films, multilayer cast lines, BOPP and Nonwoven depend exclusively on imported technology/machinery. Other technological needs are:

- Multilayer blown film line up to 9/11 layers
- Automatic Block bottom bags production line
- Higher tonnage Injection Moulding machine >2000 Tons
- Higher tonnage >500 Tons all electric Injection Moulding machines

- **High input costs:**

The plastic industry in India is a labor intensive industry as compared to its western counterparts. This has impacted the productivity in an unfavorable way. With the ever expanding population, growing needs for electricity has led to unreliable power and high energy costs in India.

When comparing with other countries, these constraints hamper the capacity utilization. There is a growing need to shift to the renewable energy sources such as solar, wind, etc. which is now emerging, despite the high investment required.

- **Highly fragmented and competitive industry:**

Packaging markets tend to be highly competitive at both the national and regional levels, often with narrow margin. This could impact profitability in times of slowdown as margins get further squeezed due to high fixed costs. The current capacity utilization for the industry is around 68%. The rise in capacity could bring more pressure on the realizations and margins. However, globally the capacity in other countries is likely to rise by only 9% over next two years. Hence companies having global presence will have a less impact than pure India players.

- **Regulatory threat on use of plastic products:**

There is an increasing concern among consumers for environmentally sustainable packaging solutions. Any move towards legalizing it by the government would increase costs for the manufacturers. Although plastic packaging has many benefits, increasing environment concerns could result in government policies limiting its use which would slowdown entire industry's growth. For example, recently, the state of Maharashtra has implemented the Maharashtra Plastic and Thermocol Products (Manufacture, Usage, Sale, Transport, Handling and Storage) Notification, 2018, under which certain plastic products were banned from manufacturing and distribution in the state of Maharashtra.

- **Environmental concerns:**

Apart from playing an increasing role in packaging and consumer products plastics also take up a growing percentage of municipal solid waste streams and pose environmental challenges. They are considered to be a



major threat to environment and public health. Improper disposal of plastics clog the water bodies, it leads to ground water pollution, disturbance of soil microbe activity, release of poisonous chemicals thereby harming the human health and the entire ecosystem. These adverse impacts therefore alarm the society to ensure proper disposal of plastic. Going ahead recycling & reuse of plastics could be a foremost step towards fostering innovation and sustainability. If plastics can be collected and disposed of or recycled as per laid down guidelines/rules then the issue of plastic waste can be suitably addressed Also increased awareness through help of industry groups and Government could help address some of these challenges.

- **Covid -19:**

Packaging industry is set to expect a mixed impact of Pandemic – Covid-19. Industries including groceries, consumer goods, pharmaceuticals and other healthcare products, and e-commerce transportation are expected to witness a steep increase. On the other hand, the demand for luxury and industrial packaging may show a declining trend. Furthermore, with crude oil prices taking a hit, the cost of oil-based raw materials, such as plastic resins for the packaging industry, is likely to fall. Cost pressures on the packaging industry are also expected to increase, with its customers under strong pressure, consumers becoming highly price-sensitive and packaging converters needing to win a sufficient volume of orders to keep their plants well utilized.

### **Flexible Packaging Industry – Road Ahead**

Flexible packaging has a number of positive sustainability attributes that point to continued widespread use. The components below will highlight specific areas anticipated to result in future impacts for flexible packaging.

- ✓ **End-Use Industries:** The Indian Food & Beverage industry has nearly 15-20% yearly growth and major application of plastics in food products is in packaging. Thus growth in food and beverage sector highlights the growth potential for plastics in packaging. Similarly, personal care sector, which is growing at nearly 15%, will also drive demand for rigid plastics, as it is the most used material for packaging of personal care products. Other industrial sectors such as, pharmaceutical that is proposed to grow at 13-15% over next five years, retail industry, that is currently witnessing the shift from unorganized to organized retail; will also stimulate the demand of plastic in packaging material.
- ✓ **Consumerism:** Growing consumerism will also contribute to growing demand. Consumer's preference for the use of convenient packaging and affordable packaging is driving the market towards flexible packaging in India. Consumers today are increasingly looking to buy products which are suitable for handling, long lasting and easy to store and as plastics can be used with great versatility, they have been the preferred choice in packaging. This growth will also be pushed by the increasing size of middle class population in tier II/III cities in the country.
- ✓ **Make in India:** The Government's current campaign on 'Make in India' which aims to turn the country into a global manufacturing hub will have positive impact on the growth of both plastic and packaging industry. The proposed policies of government for technology up-gradation fund scheme, setting up of plastic parks, setting up Special Economic Zones (SEZs) to overcome bottlenecks of infrastructure and creating business friendly policies will help in exploring the underlying potential. Also the extended support from Ministry of Chemicals & Fertilizers and the Central Institute of Plastics Engineering & Technology (CIPET) will drive the growth of plastic industry in India. For example an export-oriented plastic cluster has been proposed to be set up at an investment of over INR 1,000 lakh in Lucknow. India Industries Association (IIA) in collaboration with CIPET will set up this cluster. Cluster has already generated interest amongst 200 industrialists and entrepreneurs and is expected to generate direct employment opportunity for nearly 2,500 youth.
- ✓ **Ban on Single Plastic:** If India's proposed ban on single-use plastics is successful, the benefit is that we will reduce plastic pollution, but at the cost of worsening the cumulative environmental impact. Note that the Indian Government plan goes beyond plastic bags and includes banning plastic cups, plates and use of plastic in packaging. It is inconceivable that the alternatives to plastic will be any less environmentally damaging. I do not think anyone has worked out the sheer numbers involved. Given the environmental stakes, the responsible thing to do — before announcing a nationwide ban on plastics — would be to conduct a robust scientific study of the impact of replacing the billions of items of plastic that Indians use every day.
- ✓ **Other Future Challenges and Expectations**
  - Increased demand for recycling technologies.
  - Increased demand for recyclable flexible packaging design.
  - Selection of materials with the lowest environmental impact – by carbon

- Optimal use of materials for product protection.
- New solutions in emerging sectors such as e-commerce which reduce air and packaging material used.
- Support for increased collection of flexible materials.
- More compostable structures, largely for foodservice.
- Reduction in food waste through packaging. Tools and metrics that will help
- Measure the positive impact of packaging.
- Increased development of bio-based / renewable feedstocks.

### **Outlook**

- ✓ Packaging is a one of the important business both in the India and globally. It is an unusual sector in that it cannot exist on its own. The nature of packaging is such that it is intertwined with many other industries, such as food & drink, personal care, pharmaceuticals, e-commerce, chemicals etc. The role of packaging is vital to the commercial success of both consumer and industrial products in that it offers product protection, information and, in some cases, plays a key marketing role.
- ✓ The use of Flexible packaging is growing and is positively positioned to continue hitting on key consumer trends, as well as future hot button topics such as e-commerce, food waste reduction, and carbon reduction opportunities.
- ✓ The global packaging market is projected to grow at a CAGR of 2.8% to US\$ 1.053 lakh crore by CY 2024 from US\$ 0.943 lakh crore in CY 2020.
- ✓ Packaging Industry in India is expected to grow at a CAGR of 23.05% during the period of 2020-2025 and reach US\$ 0.205 lakh crore from US\$ 0.084 lakh crore in FY 2021 with the major applications being in food, beverage and consumer goods. Several factors are enhancing the demand and supply of plastics used in packaging across India such as high growth of end-user industry, dynamically changing lifestyles, availability of feedstock, focus on manufacturing, etc.
- ✓ Flexible Packaging contributes 40% of the total packaging in the Country. The demand of the sector is expected to grow at 18% CAGR and achieve the turnover of US\$ 0.014 lakh crore on by FY 2023.
- ✓ With industries such as retail, FMCG, Pharmaceutical poised to grow at the rate of between 13%-23% in next 5 years i.e. FY 20 to FY 25, Packaging industry will witness the sharp growth.
- ✓ There is great potential for companies in the sector as India's per capita consumption of Packaging is comparatively quite low. An increase in E-Commerce, higher disposable incomes and an affinity for online shopping will give the Indian Flexible Packaging industry has high potential to be one of the global leaders.

## OUR BUSINESS

*Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read “Forward Looking Statements” on page 19 of this Draft Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Company’s strengths and its ability to successfully implement its business strategies may be affected by various factors that have an influence on its operations, or on the industry segment in which our Company operates, which may have been disclosed in “Risk Factors” on page 26. This section should be read in conjunction with such risk factors.*

*Unless otherwise indicated, industry and market data included in this section has been derived from the industry report titled “Report on Indian Flexible Packaging Industry” prepared by Care Advisory, a division of CARE Advisory Research and Training Limited (“CARE”) in the month of June 2021 . This section should be read in conjunction with the “Industry Overview” on page 113 of this Draft Red Herring Prospectus. Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the 12-month period ended March 31 of that year.*

*Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Information, included in this Draft Red Herring Prospectus on page 205.*

### OVERVIEW

Our Company was incorporated as a private limited company in 1999, with the business to manufacture flexible packaging material in our manufacturing unit situated at block number 868 and 871, near CNG Petrol Pump, Santej Road, Village - Santej, Taluka - Kalol, Gandhinagar- 382 721, Gujarat, India (“Unit -I”) with an installed capacity of 720 metric tones per annum. Our Company has been consistently expanding its business operations by increasing its installed capacity from 720 metric tones per annum to 2,400 metric tones per annum in 2007 and to 3,600 metric tones per annum in 2008. With the object of expanding our business operations and increasing our customer base with our upgraded and advanced technique and manufacturing process, in the year 2018 our Company set up an additional manufacturing unit at block number 291, 294, 295 and 296, Village Timba, Dascroi, Ahmedabad -382 425, Gujarat, India (“Unit-II”). Our Company commenced its business operations in the financial year ended March 31, 2001 with a turnover of ₹88 lakhs and since then has been reporting a steady rise in its income and operations. In the year 2011, our Company reported an increase in its sales revenue by 39% and its profits earned by 155%. During the year 2015, our Company achieved a milestone turnover of ₹ 8516.49 lakhs and surpassed the same in 2016 by achieving a net turnover of ₹ 8,709.95 lakhs. The net turnover reported by our Company in the year 2018 and 2019 was ₹ 9,014.05 lakhs and ₹ 10,439.09 lakhs, respectively. During the year 2020 and for the nine months period ended December 31, 2020, when the nation was grappling with the COVID-19 pandemic and nationwide lockdown, our Company was able to report a net turnover of 10,359.10 lakhs and 11,782.98 lakhs, respectively and net profit after tax and depreciation of 274.21 lakhs and 425.12 lakhs, respectively. Our Company commenced its export operations in Unit-I in the year 2006 and in Unit -II in the year 2019. Owing to the consistent efforts of our Company towards quality control and efficient fulfilment of orders, presently we export our finished products to countries such as Saudi Arabia, Australia, Senegal and the United States of America.

We are engaged in manufacturing flexible packaging material which is multi-functional and caters to the packaging requirements of various industries. Our products are crafted out of an extensive range of industry approved materials such as polyethylene terephthalate, biaxially-oriented polypropylene, polythene, cast polypropylene, foil, paper, bio-degradable films, etc. Since, flexible packaging material predominantly consists of plastic as a major raw material, we aim to manufacture our products sustainably by aiming towards “Reuse, Recycle and Upcycle”. In order to ensure that our manufacturing operations remain sustainable, we have executed various memorandums of understanding with third parties for collection, segregation, transportation, recycling and disposal of plastic waste. We have also executed a service agreement with Ambuja Cements Limited for disposal of plastic waste in an environmentally friendly manner in the cement kiln process at high temperatures and long residence time, while simultaneously manufacturing cement of desired quality. We have obtained necessary licenses and approvals and have made applications seeking approval for using plastic in our manufacturing process in both our manufacturing units. For details, please refer to the chapter titled “Government and other Statutory Approvals” at page 279 of this Draft Red Herring Prospectus.

Our product portfolio largely consists of multi-color pouches, stand-up pouches, zip-lock pouches, vacuum pouch, paper bag, e-commerce bag, etc. Over the years, we have offered cost effective and customized flexible packaging solutions in accordance with the standardized sizes, designs of the customer requirements, coherent with the latest technological advances within the industry. We manufacture packaging material suitable for packaging products manufactured in food and beverage industry, e-commerce industry, pharmaceutical industry, hygiene and personal care industry, household industry and agricultural industry. Our customers are mainly manufacturers functioning in the aforementioned industries. Our key customers are well known brands in the food, beverage and household industry for manufacturing *inter alia* dairy products; biscuits, cakes and rusks; namkeens; frozen snacks and essential products such as tea, spices, rice etc. In the hygiene and personal care industry our key customers are leading manufacturers of inner wear and hair and skin care products. In the e-commerce industry, our Company manufactures and supplies packaging material in the form of e-commerce bags to renowned e-commerce retailers and suppliers for packaging their products for online or remote delivery. Apart from manufacturing products for direct sale to our customers, we are also engaged in manufacturing and carrying out various printing and lamination processes for third parties on a job work basis.

Our integrated business model provides all packaging solutions to our customers by researching and developing suitable packaging material, creating designs suitable to the nature of the product and manufacturing the final packaging material. Our Research and Development division (“**R&D Division**”) is equipped with the necessary facilities to carry out all necessary trials to develop and devise packaging material suitable to the nature of the product and the requirement of the various domestic and international packaging regulations and standards. Our team of experts employed in the R&D Division carry out various tests in our in-house R&D laboratory on the nature and reactivity of the packaging material to ensure the quality of our products and compliance with the customer requirements and regulatory standards. Our R&D Division works on specific projects along with experts in their respective fields, focusing on application research to explore the nature and use of various packaging materials. Our R&D Division is located in Unit- I as well as in Unit – II with the objective to implement a performance-oriented approach with the help of technologies developed in-house. With R&D Division in place, our Company ensures that the packaging needs and demands of our customers suitable to their final products are effectively met. Our Design division (“**Design Division**”) aids in implementing the application-based research of our R&D Division by creating, developing and sampling c. Our Design Division consists of a team of professionals who are responsible for developing and designing our packaging products, which are compliant with the regulatory standards and are based on the specific requirements of the customers and the nature of the product to be packaged. Design development and sampling forms an integral part of our operations and is considered as an effective tool for converting customer’s need into a product. Our Design Division holds knowledge of styles and innovations which is valuable to the development of our packaging material and marketing the end use products. Owing to the effective and innovative functioning of our Design Division, in the year 2020 we were awarded with the ‘*IFCA Star 2019*’ award in recognition of excellence in packaging of ‘*Real Namkeen Ratlami Sev 400 grams*’ in the categories of graphic design and innovation/ graphic design. For further details, please refer to the chapter titled “*History and Certain Corporate Matters*” at page 175 of this Draft Red Herring Prospectus.

Since incorporation, it has been our Company’s vision and focus to manufacture and supply superior quality products to our customers, which has enabled us to expand our business operations and receive certifications from renowned international bodies for our products and efficient processing techniques. We have a quality control and assurance division (“**Quality Division**”) in all our manufacturing units which carries out the required tests on the materials received including raw materials which are used in the manufacturing process and also on the final products. Our Quality Division also carries out tests on all the stages of our manufacturing processes to ensure that the quality is built through the process. We ensure adherence to the domestic and international standards laid down for our products. Our Company has received various certifications for the manufacturing process, managements systems implemented and the packaging products manufactured. We have received a certificate of registration from Alcumus ISOQAR certifying that the management system applied by our Company in Unit-I has been approved by Alcumus ISOQAR and is compliant with the requirement of ISO 9001:2015. We have also received a certificate of registration from Alcumus ISOQAR certifying that the food safety management system applied by our Company in our Unit-I has been approved by Alcumus ISOQAR and is compliant with the requirement of ISO 22000:2005. SGS United Kingdom Limited has issued a certificate of registration for certifying that manufacturing of printed and laminated flexible packaging material in roll and pouch form in Unit – II meet the requirements of ISO 9001:2015. Further, the food safety management systems and products manufactured in Unit-II have been assessed by SGS United Kingdom Limited and are found compliant with the requirements of FSSC 22000 and global standard for packaging materials, respectively. For further details, please refer to the heading titled “*Quality Related Approvals*” in the chapter titled “*Government and other Statutory Approvals*” and “*Awards and Accreditations*” in the chapter titled “*History and Certain Corporate Matters*” at pages 284 and 177 of this Draft Red Herring Prospectus.

We operate from two manufacturing units located in Gujarat namely, Unit – I situated at Santej and Unit – II situated at Timba, respectively. Our Company had commenced its business operations from Unit – I and had set up Unit - II in 2018 to expand its manufacturing operations. Unit-II has been set up to manufacture packaging material in roll and pouch form having better suitability to food sector where the laminates are processed through solvent less process, thereby enabling our Company to expand its customer base. This manufacturing unit is also equipped to manufacture three-layer and five-layer co-extruded film and extrusion coating which is experiencing an increase in demand in the packaging industry and therefore is expected to provide a better profitability margin. Our Company foresees an increase in demand of its packaging products and in order to tap the growing market, we intend to utilize the Net Proceeds of this Issue to enhance the existing capacity of our Unit – II. For further details, please refer to the chapter titled “*Object of the Issue*” at page 93 of this Draft Red Herring Prospectus.

Our revenues from operations for the nine months period ended December 31, 2020, Fiscals 2020, 2019 and 2018 were ₹11,782.98 lakhs, ₹10,359.10 lakhs, ₹10,442.93 and ₹ 9,017.20 lakhs respectively. Our EBITDA for the nine months period ended December 31, 2020, Fiscals 2020, 2019 and 2018 were ₹ 1,167.22 lakhs, ₹1,056.77 lakhs, ₹1,104.55 lakhs and ₹ 1,012.88, respectively. Our profit after tax for the nine months period ended December 31, 2020, Fiscals 2020, 2019 and 2018 was ₹425.12 lakhs, ₹274.26 lakhs, ₹425.26 lakhs and ₹415.95 lakhs respectively. For further details, please refer to the section titled “*Financial Information*” on page 205 of this Draft Red Herring Prospectus.

## **OUR COMPETITIVE STRENGTHS**

### ***Integrated manufacturer of flexible packaging material with long standing market presence.***

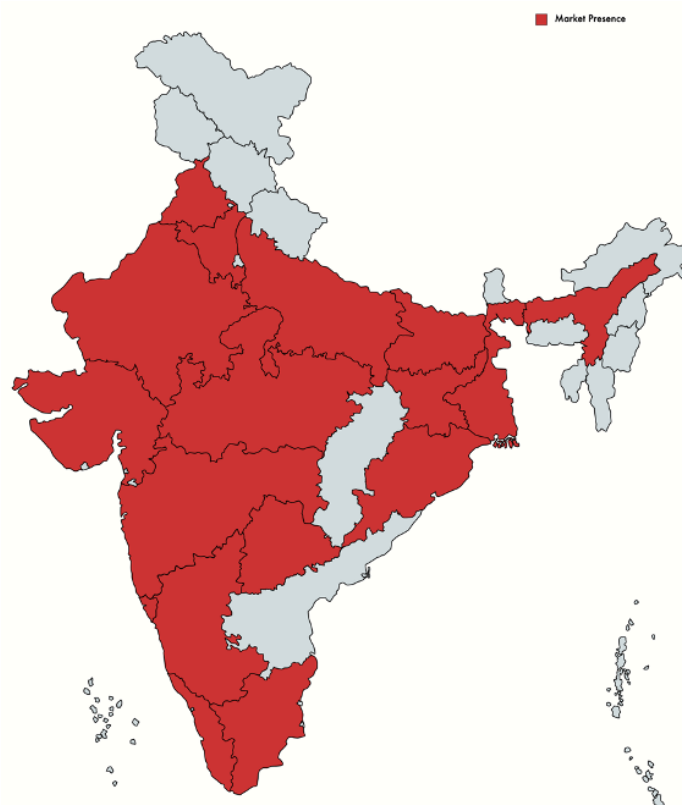
Our integrated business model enables us to provide end to end capabilities from developing and devising the appropriate packaging material, designing the package based on the nature of the product and lastly manufacturing the final finished packaging material, thereby catering to all packaging related needs of our customers. Our R&D Division and Design Division are the major components of our integrated business model. Our R&D Division armed and augmented by experienced personnel and niche research skills helps us in understanding the product requirements of our customers and developing packaging material suitable to their needs and the nature of the product, thereby enabling us to provide a customized experience to our customers. Our R&D Division coupled with the Quality Division ensure that the packaging material manufactured by us is in compliance with the domestic and international standards laid down for packaging and labelling by ensuring that the shape, size, composition, nature, etc. of the packaging material is in tandem with the regulatory regime applicable to our customers. In the second phase of our integrated business model, our Design Division creates innovative and creative packaging designs keeping in mind the nature of the product and the target segment of the industry for effectively marketing and advertising the products of our customers. Our Design Division also ensures compliance with the packaging and labelling regulations and the domestic and international standards while designing the packaging of the products. Our Design Division is the key to creating innovative packaging designs which are valuable to the development of our packaging material and marketing the end use products. Owing to the effective and innovative functioning of our Design Division, in the year 2020 we were awarded with the ‘*IFCA Star 2019*’ award in recognition of excellence in packaging of ‘*Real Namkeen Ratlami Sev 400 grams*’ in the categories of graphic design and innovation/ graphic design. For further details, please refer to the chapter titled “*History and Certain Corporate Matters*” at page 175 of this Draft Red Herring Prospectus. In the last phase of our business model, our manufacturing units execute the aesthetic and the structural model of the packaging material developed by the R&D Division and Design Division, thereby providing a complete experience to our customers by catering to all their packaging requirements.

We have a legacy of more than two decades in the packaging industry and we believe that our longstanding market presence is owed to the loyalty of our consumers, which has enabled our growth. Our strict compliance with internal quality control and international standards of quality has enabled us to expand our operations internationally to countries such as Saudi Arabia, Australia, Senegal and the United States of America. The revenue of our Company from the export operations for the nine months period ended December 31, 2020 and the Fiscals 2020, 2019 and 2018 are ₹ 386.49 lakhs, ₹ 280.03 lakhs, ₹ 343.63 lakhs and ₹ 415.95 lakhs, respectively. Due to the consistent efforts of our Quality Division and strict standards of quality control in our manufacturing units, we have received various certifications for our manufacturing process, managements systems implemented and the packaging products manufactured. For details, please refer to the heading titled “*Quality Related Approvals*” in the chapter titled “*Government and other Statutory Approvals*” and “*Awards and Accreditations*” in the chapter titled “*History and Certain Corporate Matters*” at pages 284 and 177 of this Draft Red Herring Prospectus.

### ***Wide-spread domestic market presence***

With the help of our long-standing market presence and integrated business model we have been able to create a wide spread market presence in India, thereby catering to various manufacturers functioning in various industries. We have been able to cater to changing and specific need-based requirements of our customers by being the forerunner in providing a complete packaging experience by integrating the efforts of our R&D Division, Design Division and our ability to customize the usage of our product in various applications. We have a dedicated team of professionals for managing and overseeing the production, marketing and selling of our products. However, what makes us stand out is our quality control and quality assurance team, which ensures that we manufacture superior quality products. We have a competitive advantage being an integrated manufacturer, to customize our products with variations as per the specific requirements of our customers. We believe this distinguishes us from the other players in the industry.

The following map depicts our market presence in India:



### ***Presence across diverse industry verticals with long standing relationship with our customers.***

We have developed long-term relationships with our customers in various industries including food and beverage, hygiene and personal care, pharmaceutical, household and agricultural. Our business with some of our more recent customers has increased, since we added them to our customer portfolio, reflecting our ability to develop and strengthen relationships with customers. We attribute the strength of our customer relationships to our integrated business model and our ability to customize our products based on customer specifications and requirements. We have maintained a track record of consistent delivery of quality and cost-effective products and solutions through our strategic alignment with our key customers' goals and specifications. This helps us understand customer requirements and their future plans better, enabling us to forecast, plan and manufacture our products accordingly, thereby resulting in business optimization, improved productivity, efficiency and margins. Our innovative research, efficient processing and application testing capabilities coupled with consistent delivery of quality has helped us develop and maintain long-term relationships with a number of our customers.

We are engaged in manufacturing flexible packaging material suitable for diverse and multifarious applications in the food and beverage industry, e-commerce industry, hygiene and personal care industry, pharmaceutical

industry, household industry and agricultural industry. Our revenue break up for the nine months period ended December 31, 2020 and the preceding three fiscals based on the revenue received from the sale of our products in different industries is as under:

(₹ in lacs)					
S. No.	Particulars	December 31, 2020	Fiscal 2020	Fiscal 2019	Fiscal 2018
1.	Food And Beverage Industry	11,133.00	9,915.10	10,093.90	8,858.00
2.	E-Commerce Industry	124.80	-	-	-
3.	Hygiene And Personal Care Industry	275.00	254.00	225.03	112.00
4.	Household Industry	25.00	12.00	-	18.00
5.	Agricultural Industry	225.00	178.00	124.00	29.20
<b>Total</b>		<b>11,782.98</b>	<b>10,359.10</b>	<b>10,442.93</b>	<b>9,017.20</b>

We believe that our relationships with customers and suppliers coupled with our innovative and cost-effective manufacturing process makes us well positioned to benefit from this positive trend and continue to expand our operations.

***Comprehensive product portfolio enables us to serve diverse end-use applications.***

We are engaged in manufacturing flexible packaging material which is crafted out of an extensive range of industry approved materials such as polyethylene terephthalate, biaxially-oriented polypropylene, polythene, cast polypropylene, foil, paper, bio-degradable films, etc. Since, flexible packaging material predominantly consists of plastic as a major raw material, its modifiable and flexible nature provides wider usage and application of our products in various industries including but not limited to food and beverage, pharmaceutical, hygiene and personal care, household and agricultural.

In order to expand the application of our products, our Company is equipped with necessary facilities to develop and devise packaging material suitable to the nature of the product and the requirement of customers functioning in various industries. In order to diversify the application and usage of our products we carry out various tests in our in-house laboratory on the nature and reactivity of the packaging material to ensure its effective functioning and suitability to different products. In order to further diversify our product portfolio and applications of our products, we had set up an additional manufacturing unit (Unit-II) to manufacture packaging material in roll and pouch form having better suitability to food sector and therefore wider applications. Our Company foresees an increase in demand of its packaging products and in order to tap the growing market, we intend to utilize the Net Proceeds of this Issue to enhance the existing capacity of our Unit – II. For further details, please refer to the chapter titled “*Object of the Issue*” at page 93 of this Draft Red Herring Prospectus.

***Quality Assurance and Quality Control of our products.***

We are committed towards quality of our products. Our determination towards quality is demonstrated by well-defined quality and safety procedures at various stages of our manufacturing process from procurement of raw material to distribution of our products. Owing to the expertise of our experienced and trained team forming part of our Quality Division all our products are manufactured strictly as per the regulatory standards. All our manufacturing facilities have a fully equipped Quality Division with experienced and qualified staff to carry out quality checks and inspections at all the stages of our manufacturing process. We have in-house laboratories and necessary infrastructure to test our raw materials and finished products to match the quality standards as specified by the relevant customers. Our Quality Division and in-house laboratories are well-equipped for ensuring the quality and compliance with international standards.

Owing to the consistent efforts of our Quality Division, we have received a certificate of registration from Alcumus ISOQAR certifying that the management system applied by our Company in Unit-I has been approved by Alcumus ISOQAR and is compliant with the requirement of ISO 9001:2015. We have also received a certificate of registration from Alcumus ISOQAR certifying that the food safety management system applied by our Company in our Unit-I has been approved by Alcumus ISOQAR and is compliant with the requirement of ISO 22000:2005. SGS United Kingdom Limited has issued a certificate of registration for certifying that manufacturing of printed and laminated flexible packaging material in roll and pouch form in Unit – II meet the requirements of ISO 9001:2015. Further, the food safety management systems and products manufactured in Unit-II have been assessed by SGS United Kingdom Limited and are found compliant with the requirements of FSSC 22000 and global standard for packaging materials, respectively. For further details, please refer to the heading titled “*Quality Related Approvals*” in the chapter titled “*Government and other Statutory Approvals*” and “*Awards*”

*and Accreditations*” in the chapter titled “*History and Certain Corporate Matters*” at pages 284 and 177 of this Draft Red Herring Prospectus.

#### ***Growth led by continuous investment and focus on R&D.***

Our Promoters, who form part of our executive management have inculcated a culture of innovation and instilled a firm belief that R&D is a key element of our growth and, will continue to be so. In line with this thinking, our Company has over the years made regular investments in R&D to expand our bouquet of product offerings and to streamline manufacturing process. We have R&D Divisions and in-house laboratories, in each of our manufacturing units. We have achieved an integrated business model and the ability to provide one-stop solution for all the packaging needs of our customers with the help of our R&D Division. Our R&D Division has enabled us in optimizing the use of conventional raw materials and exploring diverse applications of our packaging products by developing packaging material suitable for different industries, thereby enhancing yields and increasing cost competitiveness.

We have developed these technologies through process innovation and consistent R&D. We believe that the product and process innovations will be key factor going forward and our continued investment in R&D will better prepare us to take advantage of any future opportunities. Our continued focus on R&D helps us maintain and increase our market share by developing new products and exploring new applications to cater to the evolving needs of our customers and also build and increase efficiencies in our current manufacturing processes, thus helping us produce high quality products consistently. We believe this also enables us to maintain cost advantage over our competitors. We want to continue to focus on such dedicated consultative processes between our customers and our Company because it helps us to understand the processes followed by our customers and their specific application requirements better and we are able to provide them specific solutions. We want to continue to promote and strengthen our formulation and application expertise which is led by our technical R&D team.

Owing to the consistent efforts of our R&D Division and the diverse packaging portfolio devised by our dedicated professionals, the food safety management systems and the products manufactured in Unit-II of our Company were assessed by SGS United Kingdom Limited and were found compliant with the requirements of FSSC 22000 and global standard for packaging materials, respectively. For further details, please refer to the heading titled “*Quality Related Approvals*” in the chapter titled “*Government and other Statutory Approvals*” and “*Awards and Accreditations*” in the chapter titled “*History and Certain Corporate Matters*” at pages 284 and 177 of this Draft Red Herring Prospectus.

#### ***In-house design capabilities and techniques***

Our core competencies lie in our deep understanding of the customers buying preferences and behavior over two decades across the Indian market. Our Design Division forms an integral part of our integrated business model as it is responsible for creating and designing packaging material suitable for the product and the end use customers. We believe that we have competitive advantages due to our dedicated in-house design team and our manufacturing facilities for our product categories. Design development and sampling forms an integral part of our operations and is considered as an effective tool for converting customer’s need into a product. Owing to the consistent efforts of our Design Division, in the year 2020 we were awarded with the ‘*IFCA Star 2019*’ award in recognition of excellence in packaging of ‘*Real Namkeen Ratlami Sev 400 grams*’ in the categories of graphic design and innovation/ graphic design. For further details, please refer to the chapter titled “*History and Certain Corporate Matters*” at page 175 of this Draft Red Herring Prospectus.

Our Design Division holds knowledge of styles, innovations, etc. which is valuable to the development of our products. New designs are developed in a creative and innovative manner to cater to the demand of our customers and to also market their products in the targeted segment of their industry. Our Design Division also understands the nature of the product and therefore creates a packaging design which would effectively justify the purpose and the usage of the product. We are able to provide various applications for our products owing to the deep understanding of our design technicians of various styles and innovative marketing techniques which enables them to create and design packaging material for diverse industries. Our manufacturing unit is also equipped with design development and printing technology which aids us in realizing the ideas of our design technicians and manufacturing vibrant and attractive packaging materials.

#### ***Sustainable business development***



We are engaged in manufacturing flexible packaging material which predominantly consists of plastic as a major raw material due to its modifiable and flexible nature. We as a manufacturer and a responsible member of the society aim to manufacture our products sustainably by aiming towards “*Reuse, Recycle and Upcycle*”. Our sustainable business model enables us to effectively and efficiently treat and transform plastic waste, thereby reducing our waste generation and aiding us in complying with the applicable environment regulations. As a part of our sustainable business model, our Company utilizes plastic wastes in its manufacturing units to manufacture plastic ropes, which are then marketed to third parties, resulting in full utilization and commercialization of our resources. We have also executed various memorandums of understanding with third parties for collection, segregation, transportation, recycling and disposal of plastic waste. We have also executed a service agreement with Ambuja Cements Limited for disposal of plastic waste in an environmentally friendly manner in the cement kiln process at high temperatures and long residence time, while simultaneously manufacturing cement of desired quality.

With a view to sustainably carry out our business operations and to reduce our dependence on non-renewable resources, our Company is in the process of setting up rooftop solar systems in both the manufacturing units. We have received registrations from Gujarat Agency Development Agency for setting up rooftop solar system of 240 Kw AC in Unit – I- and 74.37-Kw DC in Unit- II. The electrical installation of rooftop solar system in Unit- II was completed on December 14, 2020 and the same is in the final stages of completion. We had received the initial registration and approval for installation of rooftop solar system in Unit- I on June 02, 2021 and therefore we are in the process of setting up the same. For details, please refer to the chapter titled “*Government and other Statutory Approvals*” at page 279 of this Draft Red Herring Prospectus.

***Well experienced management team with proven project management and implementation skills.***

We are led by a group of individuals, having a strong background and extensive experience in the packaging industry. Our Promoters, Sumer Raj Lodha and Nirmala Lodha have been associated with us since the inception. They are the founding members and are actively involved in the strategic decision making for our Company, pertaining to corporate and administrative affairs, financial operations, expansion activities, business development and management of overall business. Our Promoter, Abhishek Sumerraj Lodha, played an instrumental role in setting up of Unit-II and in expansion of our export operations. We have an experienced and professional management team with strong management and execution capabilities and considerable experience in the packaging industry. The team comprises of personnel having technical, operational and business development experience. We have employed suitable technical and support staff to manage key areas of activities allied to operations. Our team is well qualified and experienced in the diversified industries to which our Company caters and has been responsible for the growth of our operations. We believe the stability of our management team and the industry experience brought in coupled with their strong repute, will enable us to continue to take advantage of future market opportunities and expand into new markets. For further details of the educational qualifications and experience of our management team and our Key Managerial Personnel please refer the chapter titled “*Our Management*” beginning on page 179 of this Draft Red Herring Prospectus.

***Impact of COVID-19 on our business operations***

The current outbreak of COVID-19 pandemic has adversely impacted the global economy. The World Health Organization declared the outbreak of COVID-19 as a public health emergency of international concern on January 30, 2020 and a pandemic on March 11, 2020. The Government of India announced a nation-wide lockdown on March 24, 2020 and imposed several restrictions. Subsequently in view of the second wave of COVID-19, several State Governments, including Government of Gujarat had imposed restrictions and curfew. However, as we are engaged in manufacturing of flexible packaging material for food and beverage industry, our products were categorized under the ‘essential goods’ and our manufacturing facilities at Santej and Timba were not shut down during this pandemic. However, due to limited availability of labour, logistics and supply chain constraints, manufacturing operations at our plants were impacted during the initial period of the lockdown. We continued our manufacturing activities after making arrangements to meet the government’s requirements on sanitization, people movement and social distancing.

Since then, we have resumed operations as per the Government of India and state government’s directives. Our plant utilization has improved, raw material suppliers have resumed operations and supply and logistics have become more regular. The future impact of COVID-19 or any other severe communicable disease on our business and results of operations depends on several factors including those discussed in “*Risk Factors – External Risk Factors No. 76 - The outbreak of Novel Coronavirus or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition and results of operations*” on page 56 of this Draft

Red Herring Prospectus. We are continuously monitoring the economic conditions and have outlined certain measures to combat the pandemic situation and to minimize the impact on our business.

## **OUR BUSINESS STRATEGIES**

Our strategic objective is to improve and consolidate our position as one of the leading packaging manufacturer in India with a continuous growth philosophy and to enter in value services. Below points represents our continuous growth philosophy being implemented:

### ***Increasing our manufacturing capacity to focus on the growing demand of our products***

We have over the years increased our production capacities through consistent growth and innovation. Our Company has been consistently expanding its business operations by increasing its installed capacity from 720 metric tones per annum to 2,400 metric tones per annum in 2007 and to 3,600 metric tones per annum in 2008. With the object of expanding our business operations and increasing our customer base with our upgraded and advanced technique and manufacturing process, in the year 2018 our Company had set up an additional manufacturing unit at block number 291, 294, 295 and 296, Village Timba, Dascroi, Ahmedabad -382 425, Gujarat, India with an installed capacity of 5,400 metric tons. Based on the rise in demand in flexible packaging sector, our company has further installed new machineries and increased their installed capacity by 1,800 MTPA to 7,200 MTPA, which are currently under trial stage.

We believe that our strong presence in the Indian market positions us well to capitalize on the anticipated growth in demand of our product. We intend to expand the manufacturing capacity of our Unit-II situated in Timba which will result into increase revenues and profit margins. The strategic decision to expand our manufacturing units will increase our ability to cater to the expected increase in demand of our products. We propose to utilize the Net proceeds of this Issue to increase our manufacturing capacity at our Unit-II by an additional 1,800 MTPA to maximize the capacity utilization of the manufacturing unit. We believe that our strategic decision to expand our Unit - II will significantly increase our product offering and we also expect to benefit from economies of scale. For further details, please refer to the chapter titled “*Objects of the Issue*” on page 93 of this Draft Red Herring Prospectus.

### ***Expand our existing product portfolio***

We have, since our inception, consistently sought to diversify our product portfolio which could cater to customers across segments, sectors, and geographies. In accordance with this, while we seek to continue to strengthen our existing product portfolio, we intend to further diversify into products with prospects for increased growth and profitability. We plan to continue to increase offerings in our current business segments as well as diversify into new products by tapping into segments which in the view of our management have attractive growth prospects. We had set up our Unit-II to diversify our product portfolio by manufacturing packaging material in roll and pouch form having better suitability to food sector, thereby enabling our Company to expand its customer base. Unit-II is also equipped to manufacture three-layer and five-layer co-extruded film and extrusion coating which is experiencing an increase in demand in the packaging industry and therefore is expected to provide a better profitability margin. Our Company foresees an increase in demand of its packaging products and in order to tap the growing market, we intend to utilize the Net Proceeds of this Issue to enhance the existing capacity of our Unit – II. For further details, please refer to the chapter titled “*Object of the Issue*” at page 93 of this Draft Red Herring Prospectus

Further, we believe that since the requirements of the various sectors that our existing customers are currently servicing are continuously evolving, as a consequence of the same, there will be a continuous demand to evolve our existing products and expand our product portfolio to meet these requirements. We believe that our emphasis on quality of manufacture and timely delivery of our offerings have been a key factor in our ability to attract new customers and to retain our existing customers. We intend to draw on our experience, market position and ability to timely deliver quality products to successfully foray into other sectors as well as to other geographies.

### ***Expand our customer base***

We manufacture packaging material suitable for packaging products manufactured in the food and beverage industry, e-commerce industry, hygiene and personal care industry, pharmaceutical industry, household industry and agricultural industry. Our customers are mainly manufacturers functioning in the aforementioned industries. Our key customers are well known brands in the food, beverage and household industry for manufacturing *inter*

*alia* dairy products; biscuits, cakes and rusks; namkeens; frozen snacks and essential products such as tea, etc. In the hygiene and personal care industry our key customers are leading manufacturers of inner wear and hair and skin care products.

We believe that the longstanding relationships that we have enjoyed with our customers over the years and the repeat and increased orders received from them are an indicator of our position as a preferred supplier to our customers. Our integrated business model and the robust product development initiatives has enabled us to provide our customers with a comprehensive set of services and one stop packaging solution for all their packaging requirements. We believe our continued initiatives and our reputation for quality and timely delivery will help increase our market share and product portfolio with existing customers. We have built long-standing relationships with some of our customers through various strategic endeavors, which we intend to leverage by capitalizing on the cross-selling opportunities that our diversified product portfolio offers. Further, we plan on utilizing our expanded geographical footprint to address the sourcing requirements of our existing multinational customers as and when they enter new markets, thereby consolidating our position as a preferred supplier across geographies. We believe we offer customers with a reliable, convenient and cost effective option to satisfy their packaging requirements and we intend to continue to leverage our sales and marketing network, diversified product portfolio and our industry standing to establish relationships with new multinational, regional and local customers and expand our customer base.

### ***Increasing our Global presence***

We currently export our products to countries such as Saudi Arabia, Australia, Senegal and the United States of America and plan to expand our export operations globally. Our primary focus is offering diversified and customized products based on our customer's specifications and requirements. Through a combination of increased capacities, reduced costs, wider range of product specifications and services adhering to global standards, marketing initiatives, competitive pricing and more efficient use of our resources, we intend to expand our global footprint with diversified applications for our products in various industries.

### ***Strengthen our marketing network***

We continue to enhance our business operations by ensuring that our customer base increases through our marketing efforts. We believe that our ability to customize our products for the various applications by our customers can help us diversify our operations across different customer segments. Our core competency lies in the thorough understanding of our customers' needs and preferences, our vision to engage in sustainable practices and providing unparalleled quality of our products thereby achieving customer loyalty. We intend to strengthen our existing marketing team by inducting qualified and experienced personnel, who will supplement our existing marketing strategies in the domestic and international markets.

The certifications such as ISO 9001:2015, ISO 22000:2005 and FSSC 22000 certify the quality of our products and the compliance with international standards mark the efficiency and expertise of our employees in the Quality Division. The quality of our products and compliance to the customer specifications and international standards, is our biggest marketing technique. For further details, please refer to the heading titled "*Quality Related Approvals*" in the chapter titled "*Government and other Statutory Approvals*" at page 284 of this Draft Red Herring Prospectus.

We would aim our business strategies to be dynamic and proactive, given the macro and micro market environments in which we operate or where we may expand in the future. Our Company shall always strive to:

- achieve maximum operational efficiency;
- strengthen and expand our market position and product portfolio;
- enhance our depth of experience, knowledge-base and know-how; and
- increase our network of distributors, customers and geographical reach.

## **DETAILS OF OUR BUSINESS**


### **• PRODUCTS**

We are engaged in manufacturing flexible packaging material which is multi-functional in nature and caters to the packaging requirements of various industries. Our products are crafted out of an extensive range of industry approved materials such as polyethylene terephthalate, biaxially-oriented polypropylene, polythene, cast polypropylene, foil, paper, bio-degradable films, etc. Since, flexible packaging material predominantly consists

of plastic as a major raw material due to its modifiable and flexible nature, therefore can be used to cater to the packaging requirements of various industries. We manufacture packaging material suitable for packaging products manufactured in the food and beverage industry, e-commerce industry, pharmaceutical industry, hygiene and personal care industry, household industry and agricultural industry.

Our product portfolio is as follows:

Particulars	Description	Application
<p>Roll Form</p> 	<p>Packaging material manufactured in roll form are generally used in packaging of products for the food, pharmaceutical and cosmetics industries. The laminations are crafted out of an extensive range of industry approved materials such as polyethylene terephthalate, biaxially-oriented polypropylene, polythene, 3 layer barrier polyethylene, cost effective 5 layer high barrier polyethylene, cast polypropylene, aluminum foil, biodegradable, laminates, air bubble film, air insulation film etc.</p>	<p>The packaging material manufactured in roll form generally have the following applications:</p> <ol style="list-style-type: none"> <li><i>Hygiene and personal care:</i> can be used to pack products such as shampoo, conditioners, henna, washes and other personal care items.</li> <li><i>Household industry:</i> can be used to pack household and industrial cleaners, chemical products, etc.</li> <li><i>Food and beverage:</i> can be used to pack both dry food products, snacks such as biscuits, dairy products, namkeen, spices, wafers, spices, frozen food, etc.</li> <li><i>Agricultural industry:</i> can be used to pack agricultural products such as manures, fertilizers, etc.</li> </ol>
<p>Pouch Form</p> 	<p>We manufacture various range of pouches such as vacuum pouch, zipper Pouch, standup pouch, gusset pouch, side seal pouch, spout pouch, window pouch, D-cut pouch, e-commerce bag, paper bag etc.</p>	<p>Packaging material manufactures in pouch form is compatible for both dry and liquid products manufactured in various industries. The applications in different industries have been provided below:</p> <ol style="list-style-type: none"> <li><i>Food and beverage industry:</i> can be used to pack both dry and liquid food products, pet food, snacks, biscuits, rusks, spices, bundi, milk, frozen food, granular products like salt or sugar, etc.</li> <li><i>Hygiene and personal care industry:</i> can be used to pack products such as dyes, shampoo and other personal care items in sachets and pouch form, vests, briefs, etc.</li> <li><i>Household industry:</i> can be used to pack liquid and dry household and industrial cleaners, chemical products, etc.</li> <li><i>Agricultural industry:</i> can be used to pack agricultural products such as manures, fertilizers, etc.</li> <li><i>Pharmaceutical industry:</i> can be used to pack ayurvedic medical supplies, medical bags, etc.</li> <li><i>E-commerce industry:</i> can be used to package products shipped via remote or e-commerce delivery, without the need for an over box. Easy open and resealable, flexible packaging options enable fast, easy, safe returns for consumers and retailers without new packaging.</li> </ol>
<p>Coextruded Films</p>	<p>We manufacture coextruded films, barrier films for end users and specially customized films for vertical form-fill-seal applications</p>	<p>The packaging material manufactured in coextruded films generally have the following applications:</p>

Particulars	Description	Application
	such as meat, dried foods, mixes and chemicals.	a) <i>Hygiene and personal care:</i> can be used to pack products such as shampoo, conditioners, washes and other personal care items such as wet wipes, etc. b) <i>Household industry:</i> can be used to pack household and industrial cleaners, chemical products, N-95 masks, etc. c) <i>Food and beverage:</i> can be used to pack both dry food products, snacks such as biscuits, namkeen, wafers, spices, frozen food, etc.

## MANUFACTURING PROCESS

### Raw Material Procurement

The major primary raw material used during the manufacture of flexible packaging material are polyester, low-density polyethylene (“LDPE”), polyethylene terephthalate (“PET”), biaxially-oriented polypropylene (“BOPP”), polythene (“PE”), cast polypropylene (“CPP”), metallized polyester film, foil, paper, bio-degradable films. The secondary raw materials used during our manufacturing process are ink, granules and adhesive. We import as well as domestically source our raw materials from various suppliers.

For ensuring the compliance with the quality standards and regulations of the resultant product, it is important for us to undertake a quality check on the raw materials sourced. Our Quality Division carries out various tests for checking grammage, tensile strength, transparency, elongation, etc. All our raw materials are easily available in the market.

### Manufacturing Process

There are different processes carried out to manufacture flexible packaging material, the key process have been described below:



- a) **Extrusion Process:** Extrusion is the most commonly used method to prepare PE films and is widely used in the packaging industry. This process involves extruding a tube of molten polymer through a die and inflating its initial diameter to form a thin film bubble. We also manufacture products with three layer blown film extrusion, wherein three polymers are simultaneously extruded through a common die to form an integral film to provide unique strength and barrier properties. Extremely thin layers of resin that cannot be made into a film by themselves can be layered by co-extrusion which harness a number of functions such as heat resistance, heat sealing capabilities, rigidity, flexibility, cold resistance, and easy-peel capabilities.
- b) **Printing:** We adopt rotogravure printing and simple gravure printing, in order to print on the raw packaging material using rotary printing press. The process involves engraving an image or design created by our Design Division onto a copper plated steel cylinder base for each colour that has to be printed. There are five basic components of the printing process, (i) an engraved cylinder, the circumference of which differs in accordance with the layout of the job; (ii) an ink tank or reservoir; (iii) a doctor blade; (iv) an impression roller and (v) a dryer. The engraving process creates cells on the cylinder surface which contain the ink to be transferred to the substrate (film or paper). The ink is applied directly to the cylinder and from the cylinder it is transferred to the substrate with the help of an impression roller. While the press is in operation, the engraved cylinder is partially immersed in the ink tank, filling the recessed cells and as the cylinder rotates, it draws ink out of the tank with it. Acting as a squeegee, the doctor blade scrapes the cylinder before it contacts the substrate, removing excess ink from the non-printing (non-recessed) areas therefore leaving the right amount of ink required for printing. The capillary action of the substrate and the pressure from impression rollers force the ink out of the cell cavity and transfer it to the substrate. Lastly, the substrate goes

through a dryer in order for the ink to dry completely before going through the next colour unit and absorbing another coat of ink.

- c) **Lamination Process:** Laminating is the process through which two or more flexible packaging webs are joined together using a bonding agent. The substrates making up the webs may consist of films, papers or aluminum foils. The multi-layer composite structure can be produced either through a process using adhesives or by extrusion. Web laminating is used to improve the appearance and barrier properties of substrates. The choice of the most suitable web laminating process is mainly dictated by the end-use of the product. A number of different technologies are available that cover the wide variety of applications in the food and non-food packaging industries, as well as for the manufacture of technical laminates for the solar energy and insulation panel sectors. Laminating machinery can be classified according to the type of bonding agent used to produce the laminates. These types are
- i) *Wet lamination:* where the bonding agent is still in a liquid state when the webs are joined together. It is commonly used to produce a paper-aluminum foil laminate that is widely used in flexible packaging.
  - ii) *Dry lamination:* where the bonding agent, dissolved into a liquid (water or a solvent), is applied to one of the webs, before being evaporated in the drying oven. The adhesive coated web is laminated to the other under strong pressure and using heated rollers, which improves the bond strength of the laminate.
  - iii) *Solvent less lamination:* where the adhesives used do not contain solvents. Solventless adhesive generally indicates a specific type of adhesive composed by two components reacting with each other and consequently not requiring drying. The resulting laminated web is then rewound into a finished roll.
  - iv) *Ex-coating Lamination:* where co-extruded films are used to bond two films resulting into formation of three layer/ five-layer lamination and to increase the barrier property of laminate.
- d) **Slitting/Rewinding Process:** Slitting is the final step in the production process for most roll stock flexible packaging material wherein a large “master roll” of the packaging material is cut to its final width. For preparation of pouches, the packaging material received from the lamination process has to go through another process known as the pouching process, to reach the end of its manufacturing cycle.
- e) **Pouching Process:** There are many types of pouches used for packing various products like central sealing, 3 side sealing, zipper pouch, stand up pouches and pouch with slider membrane. These are made with the help of specific machines on which the rolls are placed and passed through to form pouches. Stand up pouches are laminated film bags, typically made of plastics or a blend of plastic film and aluminum foil. They can be printed with any color, logo, or design, so the potential to really make an impact on retail shelves is very high. The first step in the stand-up pouch manufacturing process is passing the laminated packaging material through a set of plows that fold a W-shape gusset into the bottom, so that the pouch can stand up. If a zipper is to be part of the package, it is sealed on the inside facing of the web near the top edge. Once the gusset is formed, vertical seals are then made along the sides, and the zipper is pressed into the same area to seal its ends and reduce its thickness. The bottom folds of the pouch are then sealed, and the pouch is then cut apart vertically through the center of the side seals to create the container part of the bag, and it is then carried to the station that will fill the pouch with the final product or packaged in cartons for shipment to the end user. After the product is dispensed into the pouch, it travels to another manufacturing station where the zipper is closed, and the pouch is sealed again, above the zipper. A notch is usually cut into the sides of the pouch between the top seal and the zipper, so it is easy for end users to open. Stand up pouches can be used for both dry food packaging and liquid products, such as pet food, liquid household cleaners, personal care items, chemical products, and granular products like salt or sugar.

#### **Quality control and tests at each stage at the manufacturing process:**

The raw materials procured and the finished products manufactured are checked and inspected by the Quality Division to ensure that the desired quality is achieved. The Quality Division performs the necessary tests and procedures on the raw material and the finished products in our fully equipped in-house testing laboratory. The in-house facility is well equipped to meet all the specifications required to follow domestically as well as internationally.

#### **REVENUE BREAK-UP**

- a) Our Company has domestic as well as international market presence and we export our products to countries such as Saudi Arabia, Australia, Senegal and the United States of America, etc. Our revenue break up for the nine months period ended December 31, 2020 and the preceding three fiscals based on the sale of our products in domestic and international markets is as follows:

(₹ in lakhs)

S. No.	Particulars	December 31, 2020	Fiscal 2020	Fiscal 2019	Fiscal 2018
1.	Domestic	11,396.49	10,079.07	10,099.3	8,789.33
2.	Exports	386.49	280.03	343.63	227.87
<b>Total</b>		<b>11,782.98</b>	<b>10,359.10</b>	<b>10,442.93</b>	<b>9,017.20</b>

- b) Following is our detailed revenue breakup for the nine months period ended December 31, 2020 and the preceding three fiscals:

(₹ in lakhs)

S. No.	Particulars	December 31, 2020	Fiscal 2020	Fiscal 2019	Fiscal 2018
1.	Manufacturing	11204.48	9767.52	10028.80	8466.46
2.	Trading	533.07	552.14	355.38	524.68
3.	Job Work	45.43	39.44	58.75	26.06
<b>Total</b>		<b>11,782.98</b>	<b>10,359.10</b>	<b>10,442.93</b>	<b>9,017.20</b>

- c) We majorly sell our finished products to various manufacturers functioning in different industries. The following is the revenue breakup of the top five and top ten customers of our Company for nine months period ended December 31, 2020 and the preceding three fiscals are as follows:

(₹ in lacs)

Particulars		December 31, 2020		Fiscal 2020		Fiscal 2019		Fiscal 2018	
		Amount	Percentage %	Amount	Percentage %	Amount	Percentage %	Amount	Percentage %
<b>Top 5 customers</b>	<b>5</b>	10,085.71	72.80	8,633.17	70.45	8,546.80	69.21	6,489.12	60.80
<b>Top 10 customers</b>	<b>10</b>	11,354.76	81.96	9,685.36	79.03	9,549.30	77.32	7,322.62	68.60

## UTILITIES

As part of our manufacturing operations, we require a steady and abundant supply of power and steam. Unit- I and Unit – II receives power supply from Uttar Gujarat Vij Company Limited and both our manufacturing units have been sanctioned a power supply of 700 KVA power. We also maintain diesel generator sets at both our manufacturing units, as a precaution against any disruption in power supply. Our manufacturing units receive water supply from the regional municipal corporation. We have received registrations from Gujarat Agency Development Agency for setting up rooftop solar system of 240 Kw AC in Unit – I- and 74.37-Kw DC in Unit-II. We are in the process of setting up rooftop solar systems in both our manufacturing units to reduce our dependence on non-renewable energy resources. In Fiscals 2018, 2019 and 2020 and in the nine months ended December 31, 2020, utility charges accounted for 3.70%, 3.35%, 3.63% and 2.89% respectively, of our total expenses in such periods.

We have installed sewage treatment plants in all our manufacturing units for treatment and discharge of sewage in conformity with the environmental standards. Since, plastic waste is generated during our manufacturing unit, our Company has executed memorandum of arrangement with third parties for collection, segregation, transportation, recycling and disposal of plastic waste generated in our manufacturing units. As a part of our sustainable business model, our Company utilizes plastic wastes in its manufacturing units to manufacture plastic ropes, which are then marketed to third parties. We have also executed a service agreement executed with Ambuja Cements Limited for disposal of plastic waste in an environmentally friendly manner in the cement kiln process at high temperatures and long residence time, while simultaneously manufacturing cement of desired quality. We had availed the requisite consents and environmental approvals from the regulatory authorities for operating our manufacturing units. For further details, please refer to the chapter titled “Government and other Statutory Approvals” at page 279 of this Draft Red Herring Prospectus.

## MANUFACTURING FACILITIES

Our Company carries out its business operations from two manufacturing units, situated at block number 868 and 871, near CNG Petrol Pump, Santej Road, Village - Santej, Taluka - Kalol, Gandhinagar- 382 721, Gujarat, India (Unit -I) and block number 291, 294, 295 and 296, Village Timba, Dascroi, Ahmedabad -382 425, Gujarat, India

(Unit-II). We also have a branch office situated at A/36, Circle -B, 4th Floor, Judges Bungalow Road, Bodakdev, SG Highway, Ahmedabad, Gujarat, 380 015, India.

### **Inventory management, Warehousing and Logistics**

We regard efficient inventory management as critical to the success of our business. Our inventory management processes include product allocation for all our sales channels and store planning based on an assessment of sales potential and requirements. We have strict inventory management and monitoring practices in place that allows us to account for each piece of inventory and to ensure efficiency. Further, to manage an appropriate level of inventory for each of our products, we also track our inventory on an everyday basis. We plan our inventory procurement by forecasting demand analysis based on our targeted sales and inventory turnover. We generally endeavor to maintain inventory levels in lines with customer demand. We also endeavor to ensure that product requirements and order fulfilment is carried out in a timely and efficient manner. Our inventory management processes are supported by our in-house warehouse. We continuously look for opportunities to optimize our supply chain network as well as warehouse processes to optimize our efficiency and productivity. We rely on third party logistics providers, with whom we enter into agreements, to transport our products.

### **Capacity Installed and Capacity Utilisation**

Set forth below is the detail of the total existing installed, utilized and processing capacity of our manufacturing units for the last three years. The details have been certified in the Techno Economic Viability Report (Appraisal Report) released in the month of June 2021 by CARE.

Particulars	March 31, 2019	March 31, 2020	March 31, 2021
	Actual	Actual	Actual
<b>A. Unit- I</b>			
Installed Capacity (MTPA)	5,400	5,400	5,400
Production volume (MTPA)	4,320	4,590	4,320
Capacity utilization	80%	85%	80%
<b>B. Unit- II</b>			
Installed Capacity (MTPA)	-	5,400	5,400
Production volume (MTPA)	-	1,350	2,970
Capacity utilization	-	25%	55%
<b>Total Processing capacity of our manufacturing units</b>			
Installed Capacity (MTPA)	5,400	10,800	10,800
Production volume (MTPA)	4,320	5,940	7,290
Capacity utilization	80%	55%	68%

### **Quality Management**

Our Company is committed to providing high-quality products to our customers and endeavors to maintain a quality system, which provides products and services in a timely manner and at competitive prices to the satisfaction of customers by meeting their specified and implied needs. We are also committed to continually improve this quality system. Further, we exercise control and regular supervision over the manufacturing operations at our manufacturing units through regular checks during and post completion of the manufacturing process. Our Quality Division carries out various tests in our in-house laboratories on the raw materials sourced by us and the finished products manufactured, in order to ensure compliance with the domestic and international standards as well as adherence to the regulations promulgated for packaging and labelling of various products.

### **Marketing**

We have a team of 09 members for marketing and sales dedicated towards supplying and marketing our products in various industries. The certifications such as ISO 9001:2015, ISO 22000:2005, FSSC 22000 and global standard for packaging materials certify the quality of our products and the compliance with international standards mark the efficiency and expertise of our employees in the Quality Division, which we use frequently for our marketing pitches where there is a requirement. We strictly adhere to the quality expectations of the customers and the international standards by conducting the necessary tests before dispatching out products. Our marketing and sales division markets and distributes our products to our customers, understands their requirements and conveys us the same, which enables us to undertake research and design exercises, thereby eventually providing innovative products conforming to quality standards expected by our customers. Our marketing team coupled with our R&D, Design and Quality Divisions are committed to expand our business operations in the



domestic and international markets by providing good quality standardized and customized products which caters to the specific requirements of our customers.

## **COLLABORATIONS**

As on date of this Draft Red Herring Prospectus, we have not entered into any technical or financial collaborations or agreements.

## **CORPORATE SOCIAL RESPONSIBILITY**

We as a responsible corporate citizen are committed to take up different developmental projects, as part of our Corporate Social Responsibility (“CSR”) initiatives towards improving the quality of lives of the underprivileged sections of the society and other stakeholders. Our CSR strategies are aligned to national priorities to meet the basic needs of the local community. Our CSR policy defines the framework for implementing CSR activities in compliance with Section 135 of the Companies Act, 2013 and rules framed thereunder. The CSR committee has been constituted as per the applicable act. We demonstrate our commitment towards our communities by committing our resources and energies to social development and we have aligned our CSR programs with legal requirements under the applicable Indian laws. In furtherance of the same, we endeavor to undertake CSR activities such as sustainable environment development, promoting gender equality, ensuring care for senior citizens and differently abled persons, maintaining cleanliness by installing dustbins, constructing portable toilets, etc. We have spent an amount of ₹ 5.77 lakhs and ₹ 5.50 lakhs towards our CSR initiatives during FY 20 and FY 19 respectively.

## **INSURANCE**

Under the restrictive covenants imposed by the financial institutions and also as a good business practice we maintain insurance covering our stocks, machineries and assets at such levels that we believe to be appropriate. We maintain insurance cover against loss or damage by burglary, business interruption by fire, earthquake, terrorism, spoilage, impact damage due to road, water or rail services, etc. by availing burglar insurance policy, standard fire and special perils policy, industrial all risks policy and marine cargo annual turnover policy. We have also insured our employees by availing New India flexi floater group medical policy, personal accident insurance policy and workman compensation insurance policy. In addition to above, we have insured the vehicles purchased by our Company for business purposes by availing commercial vehicle liability policy, private car package policy, auto secure private car package policy, standalone own damage cover for private car policy and reliance private car. For risks relating to the same, please refer to Risk Factor number 57 – *“Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability”* in the chapter titled *“Risk Factors”* on page 52 of this Draft Red Herring Prospectus.

## **INFORMATION TECHNOLOGY**

We believe that Information Technology is a powerful tool in operating our business and have accordingly invested in creating a strong IT system, network and processes. We have in place various off shelf IT system relating in particular to communication. Recently, we have switched over to the FLEXIBIZ ERP platform for smooth functioning of our business. Modules like materials management, sales order processing, store balance, section wise production, barcoding, quality control, packing list, plant maintenance, post sales complaints handling, accounts, finance, etc. are part of the FLEXIBIZ ERP system. For risks relating to the same, please refer to Risk Factor number 29 – *“We are dependent on information technology systems in carrying out our business activities and it forms an integral part of our business. Further, if we are unable to adapt to technological changes and successfully implement new technologies or if we face failure of our information technology systems, we may not be able to compete effectively which may result in higher costs and would adversely affect our business and results of operations”* in the chapter titled *“Risk Factors”* on page 41 of this Draft Red Herring Prospectus.

## **HUMAN RESOURCES**

We believe that our employees are key contributors to our business success. As on December 31, 2020, we have 461 employees including our Directors, who look after our business operations, factory management administrative, secretarial, marketing and accounting functions in accordance with their respective designated goals.

Following is a department wise employee break-up:

<b>Department</b>	<b>Number of Employees</b>
Management Promoters & Executive Directors	03
Heads of Department/ Senior Management	09
Finance & Accounts	08
Sales & Marketing	09
Raw material and Supply Chain Management	11
Human Resources	06
Admin & Information and Technology	05
Blown Film Division	11
Cylinder Division	10
Design Division	02
Research & Development and Quality Control Division	25
Store & Maintenance	31
Inspection	08
Lamination	38
Packing & Dispatch	30
Printing & Pouching	105
Production, Planning and Control Division	21
Ink & Rope Department	14
Bubble Department	03
Bailing Department	08
Slitting & Coating	57
House Keeping	18
Security	18
Office Staff & Others	11
<b>Total</b>	<b>461</b>

## **INTELLECTUAL PROPERTY RIGHTS**

As on date of this Draft Red Herring Prospectus, our Company has not applied for or availed any intellectual property approvals. Our current name and logo, is not owned or registered as a trade name or trademark by our Company under the provisions of the Trademarks Act, 1999, for risks relating to the same, please refer to Risk Factor number 28 – *“If our Company is unable to protect its intellectual property, or if our Company infringes on the intellectual property rights of others, our business may be adversely affected”* in the chapter titled *“Risk Factors”* on page 41 of this Draft Red Herring Prospectus.

## **COMPETITION**

Our industry faces competition from organized as well as unorganized players in the domestic market as well as in the international market. We have a number of competitors who manufacture products, which are similar to us. Even with a diversified product portfolio, quality approach and modern technology we may have to face competitive pressures. We believe the principal elements of competition in our industry are price, quality, timely delivery and reliability. We compete against our competitors by establishing ourselves as an integrated packaging material manufacturer with an innovative business model and industry expertise in manufacturing packaging material with varied applications, which enables us to provide our clients with innovative products suitable to their needs and market requirements. For risks relating to the same, please refer to Risk Factor number 40 – *“We operate in a competitive business environment and our inability to compete effectively may adversely affect our business, results of operations, financial condition and cash flows”* in the chapter titled *“Risk Factors”* on page 45 of this Draft Red Herring Prospectus.

## **LAND AND PROPERTY**

We carry out our business operations from the following properties:

a) *Owned property:*

<b>Sr. No.</b>	<b>Particulars of the Property</b>	<b>Usage</b>
1.	Block No. 868, Village Santej, Sola Santej Road, Kalol Taluka, District Gandhinagar, Gujarat - 382 722, India.	Registered Office and Manufacturing Unit – I
2.	Block No. 870*, 871, Village Santej, Sola Santej Road, Kalol Taluka, Gandhinagar District, Gujarat - 382 722, India.	Manufacturing Unit – I

Sr. No.	Particulars of the Property	Usage
3.	Block No. 291, 294, 295*, 296 Village Timba, Taluka Dascroi, Timba, Ahmedabad – 382 425, Gujarat, India.	Manufacturing Unit – II

*\*A part of our manufacturing unit is involved in litigations filed by or against our Company. For details of such litigations, please refer to the chapter titled “Outstanding Litigation and Material Developments” at page 272 of this Draft Red Herring Prospectus. For risks relating to the same, please refer to “Risk Factor Number 05 – Our manufacturing units are subject to litigations filed by our Company or against our Company by third parties. Any adverse orders in these litigations may have an adverse impact on our continued operation, business and results of operations” at page 29 of this Draft Red Herring Prospectus.*

b) Leasehold property:

Sr. no.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage
1.	Leave and License Agreement executed on October 18, 2019 between Shrimati Kamani Vidya Nyalchand (the “Licensor”) and our Company (the “Licensee”)	Flat No. C-2101, 21 <sup>st</sup> floor, Adinath Avenue Wing A B C Chs Ltd Building, Narsingh Lane, Malad West, Mumbai, Maharashtra - 400064, India	₹ 18,500/- per month for first 11 months ₹ 20,000/- per month for the next 11 months	A period of 22 months commencing from October 18, 2019 until August 01, 2021	Residential Purpose
2.	Leave and License Agreement executed on June 07, 2021 between Sumer Raj Lodha and Nirmala Lodha (the “Licensor”) and our Company (the “Licensee”)	A/36, Circle- B, 4 <sup>th</sup> floor, Pakwan Building, SG Highway, Bodakdev, Ahmedabad – 380 015, Gujarat, India.	₹ 28,000/- per month	A period of 11 months commencing from April 01, 2021 until February 28, 2022.	Branch office

## KEY INDUSTRIAL REGULATIONS AND POLICIES

*The following description is an overview of certain sector-specific relevant laws and regulations in India which are applicable to the operations of our Company. The description of laws and regulations set out below is not exhaustive and is only intended to provide general information to Bidders. The information in this section is neither designed nor intended to be a substitute for professional legal advice and investors are advised to seek independent professional legal advice.*

*The statements below are obtained from publications available in the public domain based on the current provisions of applicable Indian law, and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by legislative, regulatory, administrative, quasi-judicial or judicial decisions/actions and our Company or the BRLM are under no obligation to update the same.*

### A. **INDUSTRY RELATED LAWS AND REGULATIONS**

#### ***The Food Safety and Standards Act, 2006 (“FSSA” or the “Act”)***

The FSSA was enacted with a view to consolidate the laws relating to food and establish the Food Safety and Standards Authority of India (“FSSAI”) for setting out scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption. The standards prescribed by the FSSAI include specifications for ingredients, contaminants, pesticide residue, biological hazards and labels. The FSSA also sets out requirements for licensing and registering food businesses, general principles of food safety, and responsibilities of the food business operator (“FBO”) and liability of manufacturers and sellers, and adjudication by ‘Food Safety Appellate Tribunal’. In exercise of powers under the FSSA, the FSSAI has also framed the Food Safety and Standards Rules, 2011 (the “FSSR”). The FSSR sets out the enforcement structure of ‘commissioner of food safety’, ‘the food safety officer’ and ‘the food analyst’ and procedures of taking extracts, seizure, sampling and analysis. The FSSA also lays down penalties for various offences (including recall procedures). The Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011 provides for the conditions and procedures for registration and licensing process for food business and lays down general requirements to be fulfilled by various FBOs, including petty FBOs as well as specific requirements to be fulfilled by businesses dealing with certain food products.

In terms of the Food Safety and Standards (Food Recall Procedure) Regulations, 2017, every FBO engaged in manufacturing of food is required to have a food recall plan. The packaging done by a FBO is required to comply with the Food Safety and Standards (Packaging) Regulations, 2018, while labelling and display of prepackaged food items must comply with the Food Safety and Standards (Labelling and Display) Regulations 2020.

According to the Food Safety and Standards (Licensing and Registration of Food Business) Amendment Regulations, 2018, an e-commerce FBO (which includes sellers and brand owner who display or offer their food products, through ecommerce, and providers of transportation services for the food products and/or providing last mile delivery transportation to the end consumers), is required to obtain central license from the concerned central licensing authority.

#### ***FSSAI Guidance Note on ‘Food Hygiene and Safety Guidelines for Food Businesses during Coronavirus Disease (COVID- 19) Pandemic’ (“COVID-19 Guidance Note”)***

The COVID-19 Guidance Note was issued with an intent to provide guidance to food businesses, including their personnel involved in handling of food and other employees to prevent spread of COVID-19 in the work environment and any incidental contamination of food/food packages. It also provides guidance in relation to operative mechanism such as establishment of an inhouse emergency response team in large food businesses to deal with suspected infections effectively. It mandates that employers should have a COVID-19 screening protocol in place to screen all personnel entering the premise. All the employees or visitors should be screened at entry point for the symptoms of COVID-19 such as, among others, temperature (using non-contact type thermometer), cough, cold etc. The entrance shall mandatorily have measures installed for hand hygiene. Employees and food handlers should be encouraged to self-declare any symptoms of any respiratory illness before visiting the premises. To spread awareness and contain the spread of the disease, employers should employ and ensure compliance with numerous measures such as, among others, display of posters/standees/audio visuals on preventive measures for COVID-19, frequent usage of alcohol-based sanitizers, avoidance of close contact with symptomatic personnel, usage of face masks, and frequent cleaning and disinfection. Food sectors involved in food services, takeaways and deliveries shall ensure, among others, that the food service area shall be thoroughly

cleaned and disinfected after every meal, hand wash facilities should be made available to the workers, employees wear a clean uniform, mask/face cover, gloves and head covers at all time, adoption of contactless delivery. The COVID-19 Guidance Note prescribes guidelines for management of the food establishment to handle a COVID-19 suspect/positive case in accordance with the guidelines issued by Ministry of Health and Family Welfare and clean and disinfect the premises accessed by the suspected case.

The COVID-19 Guidance Note mandates strict adherence to General Hygiene Practices specified under Schedule IV of Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011 (“**Schedule IV**”). Schedule IV enumerates multiple compulsory measures to be adopted by FBOs in the interest of human nutrition, safety, and hygiene. Schedule IV mandates that the premises shall be clean, adequately lighted, and ventilated, and sufficient free space for movement shall be made available. In relation to personal hygiene – all employees should wash their hands properly and they should be made aware of measures to avoid cross-contamination. Further, among other things, eating, chewing, smoking, spitting and nose blowing shall be prohibited within the premises especially while handling food, and persons suffering from infectious diseases shall not be permitted to work. Any cuts or wounds shall remain covered at all time and the person should not be allowed to come in direct contact with food.

### ***Food Safety and Standards (Packaging Regulations), 2018 (the “Regulations”)***

The Food Safety and Standards Authority of India had in accordance with the powers conferred upon it under Section 23 of Food Safety and Standards Act, 2006 promulgated the Food Safety and Standards (Packaging and Labelling) Regulations, 2011 for packaging and labelling of food. On January 03, 2019, the Food Safety and Standards Authority of India (“**FSSAI**”) announced new regulations with respect to food packaging and divided these regulations into two regulations, (i) the Food Safety and Standards (Packaging) Regulations, 2018; and (ii) the Food Safety and Standards (Labelling and Display) Regulations, 2020. The Food Safety and Standards (Packaging) Regulations, 2018 replaced the packaging provisions of the Food Safety and Standards (Packaging and Labelling) Regulations, 2011. The new regulations include both general and specific requirements for packaging materials and in particular, they prescribe an overall migration limit of 60 mg/kg or 10 mg/dm<sup>2</sup> and specific migration limits for certain contaminants in plastic packaging materials. The regulations also specify that food packaging materials must now comply with Indian Standards (“**IS**”) listed in Schedules I, II, and II for paper and paperboard materials, metal and metal alloys, and plastic materials, respectively. Previously, compliance with the standards was voluntary. They are available for purchase through the Bureau of Indian Standards (“**BIS**”). Furthermore, the revised regulations ban both the use of recycled plastics in food packaging and the use of newspaper and such other materials for packing or wrapping of food articles. They also reference specific Indian Standards for printing inks for use on food packages. Schedule IV of the regulations is a list of suggested packaging materials for different food product categories.

The Regulations broadly prescribe the general and specific requirements which need to be followed while packaging food and food products. The general requirements to be adhered by a food manufacturer which packing food is that *inter alia* (i) the packaging material complied with the prescribed Indian Standards and wherever the Indian Standards are not available it should comply with the international standards; (ii) any material which comes in direct contact with food or likely to come in contact with food used for packaging, preparation, storing, wrapping, transportation and sale or service of food shall be of food grade quality; (iii) packaging materials shall be suitable for the type of product, the conditions provided for storage and the equipment for filling, sealing and packaging of food as well as transportation conditions; (iv) packaging materials shall be able to withstand mechanical, chemical or thermal stresses encountered during normal transportation; (v) food products shall be packed in clean, hygienic and tamper-proof package or container; (vi) tin containers once used, shall not be re-used for packaging of food; (vii) plastic containers of capacity 5 liter and above and glass bottles, which are reused for packaging of food, shall be suitably durable, easy to clean or disinfect; (viiI) printing inks for use on food packages shall conform to IS: 15495; (ix) printed surface of packaging material shall not come into direct contact with food products; (x) newspaper or any such material shall not be used for storing and wrapping of food; (xi) in case of multilayer packaging the layer which comes in direct contact with food or layers likely to come in contact with food shall meet the requirements of packaging materials specified in Schedule I, II and III of these regulations; (xii) the materials listed in Schedule I, II and III of these regulations shall be compatible with their intended use as a packaging material so as not to alter the quality and safety of the food product; (xiii) every food business operator shall obtain the certificate of conformity issued by National Accreditation Board for Testing and Calibration Laboratories (“**NABL**”) accredited laboratory against these regulations for the packaging material which comes in direct contact with food or layers likely to come in contact with food to be used.

The specific requirements have been diversified on the basis of the nature of the packaging material. The Regulations prescribe specific packaging requirements for the following packaging materials intended to come in contact with food products (i) paper and board materials; (ii) glass containers; (iii) metal and metal alloys; and (iv) plastic materials. The various standards to be met by the aforementioned packaging material have been prescribed under Schedules I to IV.

### ***Food Safety and Standards (Labelling and Display), 2020 (the “Regulations”)***

The Food Safety and Standards Authority of India (“FSSAI”) has notified Food Safety and Standards (Labelling and Display) Regulations, 2020, prescribing the labelling requirements of pre-packaged foods and display of essential information on premises where food is manufactured, processed, served and stored. According to the notification, the Food Business Operator (“FBO”) shall comply with all the provisions of these regulations after one year from the date of their publication in the Official Gazette except Chapter 3 (display of information in food service establishments) of these regulations, to which Food Business Operator shall comply by January 1, 2022. The Regulations also introduce the concept of ‘principal display panel’, which refer to the part of the container/package which is intended or likely to be displayed or presented or shown or examined by the customer under normal and customary conditions of display, sale or purchase of the food article contained therein and is typically the first thing a consumer will see when they look at the product. Chapter 1 of the Regulations, prescribes the labelling requirements of pre-packaged foods and display of essential information on premises where food is manufactured, processed, served and stored; Chapter 2 covers the general requirements of labelling of prepackaged foods such as Name of food, Name of food, List of ingredients, Nutritional information, Calculation of Nutrients; Chapter 3 of the regulation contains Display of information in food service establishments; Chapter 4 indicates Labelling Requirements of non-retail container; Chapter 5 of regulation mentions of Labelling of packaged Food Additives for Retail Sale and Schedule II has been set out with mandatory labelling declaration for various food products.

The Regulations prescribe general and specific requirements to be adhered to by a FBO while packaging and labelling a food product, the key requirements have been detailed below:

- Food products sold through e-commerce or any other direct selling means; the Regulation mandates the requirement that the label must be provided to the consumer through appropriate means before sale.
- Where an ingredient is itself the product of two or more ingredients, such a compound ingredient must be declared, by their specific names; in the list of ingredients, or by declaring all of the ingredients of compound ingredient as if they were individual ingredients of the final food. Where a compound ingredient constitutes less than 5 per cent. of the food, the ingredients, other than food additives that serve the technological function in the food products, the same is not required to be declared.
- Every package of food material which is not meant for human consumption shall bear a declaration to this effect by a specified symbol of a black colour cross inside a square with black outline.
- In case of alcoholic beverages, a declaration is required to be provided on the label providing the details of the manufacturer/ importer, etc. The format of providing the declaration is, “Bottled by” or “Blended and Bottled by” or “Imported and Bottled by”, or “Distilled and Bottled by”.
- The FSSAI logo and license number of the brand owner must be displayed on the label. In addition, the license number of the manufacturer or marketer or packer or bottler, as the case may be, if different from the brand owner, must also be displayed on the label. For imported food products, the importer must display FSSAI logo and license number along with name and address of importer.
- FBOs must display on all their premises, where food is stored, processed, distributed or sold, the Registration/License No. or Food Safety Display Board if specified, along with other information as may be specified by the FSSAI at a prominent place in the premises.
- Provisions are included with regard to declarations to be made on foods and ingredients which are known to cause allergy. Food Service Establishments must mention the following against the food items displayed on the menu cards or boards: information relating to food allergens as prescribed. Allergens may also be depicted by easy-to-understand symbols, logo for veg or non-veg. Under the provisions with regard to Labelling Requirements of non-retail container an additional declaration requirement is introduced- Name and address of the manufacturer or packer (including country of origin for imported packages).

### ***Legal Metrology Act, 2009***

The Legal Metrology Act, 2009 (“Act”), received the assent of the President of India on January 13, 2010. The Act governs the standards/units/denominations used for weights and measures as well as for goods which are sold or distributed by weights, measures or numbers. It also states that any transaction/contract relating to goods/class

of goods shall be as per the weights/measurements/numbers prescribed under the Act. Every unit of weight or measure shall be in accordance with the metric system based on the international system of units. Using or keeping any weight or measure otherwise than in accordance with the provisions of the said Act is an offence, as is considered as tampering or altering any reference standard, secondary standard or working standard. Moreover, the Act prohibits any person from quoting any price, issuing any price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of this Act. The administration of the Act and regulation of pre-packaging of commodities is done with the help of Legal Metrology (Packaged Commodities) Rules, 2011, (the “**Rules**”) which require every manufacturer, packer and importer who pre-packs or imports any commodity for sale, distribution or delivery to get himself registered under these Rules. Additionally, the Rules also bar anyone from pre-packing or causing or permitting pre-packaging any commodity for sale, distribution or delivery unless a declaration in respect to such pre-packaging has been made on the package in accordance with these Rules.

### ***Legal Metrology (Packaged Commodities) Rules, 2011***

The Central Government in accordance with the powers conferred upon it under the Legal Metrology Act, 2009, has promulgated the Legal Metrology (Packaged Commodities) Rules, 2011 to prescribe the declaration and disclosure of standard quantities or number and the manner of making declarations on pre-packaged goods. Chapter II of the Rules prescribes the packaging and labelling standards for packages intended for retail sale, Chapter III deals with packaging of wholesale products and Chapter IV provides exemption from strict compliance of the rules. Retail sale has been specifically defined under the Rules and given a very wide ambit whereby it has been held to mean sale distribution or delivery through retail sale shops, agencies or any other mode of business to any individual or a group of individuals. Rule 4 of the said Rules mandates the manufacturer to affix a label or print a disclosure confirming that the declarations required under these Rules have been made on the package. Without the said disclosure, the Rules prohibit packing of a product which falls under the ambit of the Rules. The Rules provide the declarations which have to be given by the manufacturer on a product along with the manner and style of making such declarations. Rule 6 of the Rules, lists out the declarations which are to be made by a manufacturer which are inter alia, name of the manufacturer, country of origin, generic name of the product, net quantity, in terms of the standard unit of weight or measure of the commodity contained in the package or where the commodity is packed or sold by number, the number of the commodity contained in the package; month or year of manufacture or import, date of expiry along with a disclaimer that the commodity shall be unfit for human consumption post such date of expiry, etc. The other rules prescribed under Chapter II detail the manner and style of making the above declarations with respect to manufacturer, quantity, weight, dimensions, etc. In accordance with Section 15 of the Legal Metrology Act, 2009, the Director, Controller or any Legal Metrology Officer has been empowered to inspect the packages at the premises of the manufacturer or at the premises of the packer to ensure compliance with the requirements of the Rules. The Rules also empower such officer to seize the packages drawn by him as samples and take adequate steps for the safe custody of the seized packages until they are produced in the appropriate court as evidence and based on the evidence initiate action for violations as per the provisions of the Act and these Rules.

### ***The Drugs and Cosmetics Act, 1940 (the “DCA”) and the Drugs and Cosmetics Rules, 1945 (the “Rules”)***

The Drugs and Cosmetics Act, 1940 governs the import, manufacture, distribution and sale of drugs in India and deals with aspects of labeling, packing, testing and licensing. The Central and the State Governments have been given the power to appoint inspectors under the Act, who must carry out and perform the functions as prescribed including but not limited to search and seizure, examination of records, registers and documents. Penalties have been provided for the manufacture for sale or distribution, stocking and exhibition of drugs in contravention of the Act and for the non-disclosures of names of the manufacturers, as may be prescribed. The Rules framed under this Legislation provide that for the purpose of importing drugs, an import license and registration certificate is required from the Licensing Authority. Even the manufacture for sale or distribution of drugs, requires the grant/renewal of a license by the Central License Approving Authority. Persons have been prohibited from the manufacture, distribution and sale of drugs which are not of the standard prescribed under the Act, or are misbranded, adulterated or spurious. Part IX of the Rules deals with labelling and packaging of drugs and prescribed the manner of labelling and packaging of drugs and medicines and Part XV deals with the packaging and labelling standards to be met while packaging cosmetics.

### ***Standards of Weights and Measures Act, 1976***

The Standards of Weights and Measures Act, 1976 (the “**Act**”) was enacted to regulate trade or commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and to provide for

such matters as may be connected thereto. The Act enumerates the specific base units to measure goods and products. Any offence under this Act is punishable with imprisonment or fine or with both based on the type of violation.

#### ***The Bureau of Indian Standards Act, 2016***

The Bureau of Indian Standards Act, 2016 (the “**BIS Act**”) provides for the establishment of the Bureau of Indian Standards (“**BIS**”) for the development of the activities, *inter alia*, standardization, marking and quality certification of goods. Functions of the BIS include, inter-alia, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark to be called the Bureau of Indian Standards Certification Mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

#### ***Agricultural Produce Grading and Marking Act, 1937 and General Grading and Marking Rules, 1988***

The Agricultural Produce (Grading and Marking) Act, 1937 (hereinafter referred as the “**Act**”) is an important legislation for grading and marking of agricultural and other allied commodities with the objectives of making available quality agricultural products to consumers. The provisions of the Act cover the horticulture and livestock products also. The Central Government has been authorized to make rules for fixing grade designations to indicate the quality of any article to which the provisions of the Act apply. It can also specify ‘grade designation marks’ to represent particular grade designations. The Act empowers the central government to authorize the interested parties to grade and specify conditions regarding manner of marking and packaging and related matters.

The Central Government under the Act has formulated General Grading and Marking Rules, 1988 (hereinafter referred to as the “**Rules**”) prescribing the procedure of availing, renewing and changing authorization to grade and mark an article under the provisions of the Act. The Rules also prescribe the various grades which can be used under the Act and the manner of using the said grades and the manner of packing and labelling a product on which such grade has to be marked. The Rules also provide the procedure of registering a customer grievance and the manner of disposal of the same by the Agricultural Marketing Adviser, powers of the Agricultural Marketing Adviser, etc.

#### ***Consumer Protection Act, 2019***

The Consumer Protection Act, 2019 (“**COPRA**”) will repeal the existing Consumer Protection Act, 1986, and shall come into force on such date as the Central Government may, by notification, appoint. The Consumer Protection Act, 1986 provides a mechanism for the consumer to file a complaint against a service provider in cases of unfair trade practices, restrictive trade practices, deficiency in services, price charged being unlawful and food served being hazardous to life. It also places product liability on a manufacturer or product service provider or product seller, to compensate for injury or damage caused by defective product or deficiency in services. It provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of the redressal commissions attracts criminal penalties. The COPRA will, inter alia, introduce a Central Consumer Protection Council to promote, protect and enforce the rights of consumers executive agency to provide relief to a class of consumers. The COPRA will bring e-commerce entities and their customers under its purview including providers of technologies or processes for advertising or selling, online market place or online auction sites. The COPRA will also provide for mediation cells for early settlement of the disputes between the parties.

### **B. OTHER APPLICABLE LAWS**

#### ***Electricity Act, 2003***

The Electricity Act, 2003 (the “**Electricity Act**”) was enacted to regulate the generation, transmission, distribution, trading and use of electricity by authorising a person to carry on the above acts either by availing a license or by seeking an exemption under the Electricity Act. Additionally, the Electricity Act states no person other than Central Transmission Utility or State Transmission Utility, or a licensee shall transmit or use electricity at a rate exceeding 250 watts and 100 volts in any street or place which is a factory within the meaning of the Factories Act, 1948 or a mine within the meaning of the Mines Act, 1952 or any place in which 100 or more persons are



ordinarily likely to be assembled. An exception to the said rule is given by stating that the applicant shall apply by giving not less than 7 days' notice in writing of his intention to the Electrical Inspector and to the District Magistrate or the Commissioner of Police, as the case may be, containing the particulars of electrical installation and plant, if any, the nature and purpose of supply of such electricity. The Electricity Act also lays down the requirement of mandatory use of meters to regulate the use of electricity and authorises the Commission so formed under the Electricity Act, to determine the tariff for such usage. The Electricity Act also authorises the State Government to grant subsidy to the consumers or class of consumers it deems fit from paying the standard tariff required to be paid. The Electricity Act also states the mechanism for seeking judicial relief by setting up an Appellate Tribunal and laying down the process to seek justice against the orders of the Commission established under the Electricity Act.

### ***Shops and Establishments Legislations***

Establishments are required to be registered under the provisions of local shops and establishments legislations applicable in the states where such establishments are set up. Such legislations regulate the working and employment conditions of workers employed in such shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. Shops and establishments have to be registered under the shops and establishments legislations of the respective states where they are located.

### ***Municipality Laws***

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective States of India have enacted laws empowering the municipalities to issue trade license for operating stores and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

### ***Fire Prevention Laws***

The state legislatures in India have enacted legislations for fire control and safety, which are applicable to our properties established in the respective states. They impose the requirement of obtaining no-objection certificate from the concerned authorities. They also include provisions in relation to provision of fire safety and life saving measures by occupiers of buildings and penalties for non-compliance.

## **C. PROPERTY RELATED LAWS**

### ***Transfer of Property Act, 1882***

The Transfer of Property Act, 1882 (the "***T.P. Act***") governs the transfer of property, including immovable property, between natural persons excluding a transfer by operation of law. The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. The T.P. Act also provides for the rights and liabilities of the vendor and purchaser in case of a transaction relating to sale of property and the lessor and lessee if the transaction involves lease of land, as the case may be.

### ***Sale of Goods Act, 1930***

The Sale of Goods Act, 1930 (the "***Sale of Goods Act***") governs contracts relating to the sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract for sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for the sale of goods.

### ***The Registration Act, 1908***

The Registration Act, 1908 (the “*Act*”) was passed to consolidate all the previous legislations which were enacted in relation to the registration of documents. This Act was promulgated to achieve the purpose of maintaining a proper regulatory record of transactional documents with a recognized officer in order to safeguard the original copies. The Act lays down two types of registration of documents, one being mandatory registration, which has been laid down under Section 17 of the Act and relates to documents such as, *inter alia* gift deed or transfer deed for an immovable property, non-testamentary instruments purporting to an interest in any immovable property, leasing or renting an immovable property. The other type of registration has been laid down under Section 18 of the Act which provides for the category of documents, registration of which is optional or discretionary and include, wills, instrument for transfer of shares, adoption deeds, etc. Failure to register a document under Section 17 of the Act can attract severe consequences, including declaration of invalidity of the transfer in question; however, no such consequence is attracted in case of Section 18 of the Act. Sections 28 and 31 of the Act provide the sub-registrars and other officers, the authority to register documents under this Act. Registration of a document, provides authenticity to a document and also acts as a conclusive proof in relation to the execution of such a document in the court of law.

#### ***Indian Stamp Act, 1899***

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the Union list mentioned in the Seventh Schedule of the Constitution of India, is governed by the provisions of the Indian Stamp Act, 1899 (the “*Act*”), all others instruments are required to be stamped, as per the rates laid down by the State Governments. Stamp duty is required to be paid on such category of transaction documents laid down under the various laws of the states, which denotes that stamp duty was paid before the document became legally binding. The stamp duty has to be paid on such documents or instruments and at such rates which have been specified in the First Schedule of the Act. Instruments as mentioned in the said schedule of the Act, if are not duly stamped are not admissible in the court of law as valid evidence for the transaction contained therein. The Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the relevant authorities and validated by imposing of penalty on the parties. The amount of penalty payable on such instruments may vary from state to state.

#### **D. TAX RELATED LAWS**

The tax related laws that are applicable to our Company include the Customs Act, 1962, the Income Tax Act, 1961, the Income Tax Rules, 1962 and GST which includes the Central Goods and Services Tax Act, 2017, various State Goods and Services Tax legislations, and the Integrated Goods and Services Tax Act, 2017.

#### **E. FOREIGN INVESTMENT RELATED LAWS AND REGULATIONS**

Foreign investment in India is governed by the provisions of FEMA along with the rules, regulations and notifications made by RBI thereunder, and the Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”) from time to time. Under the current FDI Policy (effective October 15, 2020) 100% foreign direct investment is permitted in the animal husbandry sector, under the automatic route.

As per the SEBI (Foreign Portfolio Investors) Regulations, 2019 (“**SEBI FPI Regulations**”), investments by Foreign Portfolio Investors (“**FPIs**”) in the capital of an Indian company under the SEBI FPI Regulations are subject to individual holding limits of 10% of the total paid up equity capital on a fully diluted basis of the company per FPI. If the investment exceeds the threshold limit of 10% the investor must divest the excess holding within five days of the breach, and if not accordingly divested, the entire investment in the company by the FPI shall be considered as FDI and the FPI will be prohibited from making further investments in the company under the regulations.

#### ***Overseas Direct Investment (“ODI”)***

In terms of the Master Direction No. 15/2015-16 on Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary Abroad issued by the RBI, dated January 1, 2016, an Indian entity can make ODI under the automatic route up to limits prescribed by the RBI, which currently should not exceed 400% of its net worth. ODI can be made by investing in either joint ventures or wholly owned subsidiaries outside India. Any financial commitment exceeding USD one billion (or its equivalent) in a financial year would require prior approval of the RBI.

## **F. ENVIRONMENT RELATED LAWS**

### ***Environment (Protection) Act, 1986 as amended (“EPA”), the Environment Protection Rules, 1986 as amended (“EPA Rules”) and the Draft Environment Impact Assessment Notification, 2020 as amended (“Draft EIA”)***

The EPA has been enacted with an objective of protection and improvement of the environment and for matters connected therewith. As per the EPA, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the Act, including the power to direct the closure, prohibition or regulation of any industry, operation or process. The EPA Rules lay down specific provisions regarding standards for emission or discharge of environmental pollutants, prohibition on carrying out industrial activities in certain geographical locations, functions of environmental laboratories and submission of samples for analysis. There are also provisions under the EPA and EPA Rules with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities and agencies in certain cases, establishment of environmental laboratories and appointment of government analysts.

Further, the Ministry of Environment, Forest and Climate Change has issued Draft EIA, 2020 which proposes to replace the erstwhile Environment Impact Assessment Notification, 2006. The Draft EIA inter alia contemplates two kinds of approvals, being (i) prior environment clearance with the approval of expert committees; and (ii) environmental permission or provision without the approval of expert committees. Certain projects including clay and sand extraction, digging well or foundations of buildings, solar thermal power plants and common effluent treatment plants have been exempted from such approvals.

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

The Air (Prevention and Control of Pollution) Act, 1981 ( the “**Act**”) aims to prevent, control and abate air pollution and pursuant to the provisions of this 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. The State Pollution Control Board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to the consent granted. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board. The penalties for the failure to comply with the above requirements include imprisonment of up to six years and the payment of fine extending up to ₹ 10,000.

Under the said Act, the Central Pollution Control Board has powers, inter alia, to specify standards for the quality of air, while the State Board has the power to inspect any control equipment, industrial plant or manufacturing process, to advice the State Government with respect to the suitability of any premises or location for carrying on any industry and to obtain information from any industry.

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

The Water (Prevention and Control of Pollution) Act, 1974 (“**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, which is empowered to establish standards and conditions that are required to be complied with. In certain cases, the State Pollution Control Board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the said Act include the imposition of fines or imprisonment, or both.

The Central Pollution Control Board has the powers, inter alia, to specify and modify standards for stream and wells. The State Pollution Control Board has powers, inter alia, to inspect any sewage or trade effluents, and to review plans, specifications or other data relating to plants set up for treatment of water. The State Board also has the power to evolve efficient methods of disposal of sewage and trade effluents on land, to advice the State Government with respect to the suitability of any premises or location for carrying on any industry likely to pollute a stream or well and to specify standards for treatment of sewage and trade effluents.

### ***Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008***

The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 (“**Hazardous Waste Rules**”) define the term ‘hazardous waste’ and any person who has control over the affairs of a factory or premises or any person in possession of the hazardous waste is classified as an ‘occupier’. In terms of the Hazardous Waste Rules, occupiers have been, *inter alia*, made responsible for safe and environmentally sound handling of hazardous wastes generated in their establishments and are required to obtain license/authorisation from the respective State Pollution Control Board for generation, processing, treatment, packaging, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or the life of the hazardous waste.

### ***The Noise Pollution (Regulation and Control) Rules, 2000***

The Noise Pollution (Regulation and Control) Rules, 2000 (the “Rules”) aim to regulate and control noise producing and venerating sources with the objective of maintaining the ambient air quality standards in respect of noise. The Rules declare different areas or zones each permitting for different ambient air quality standards in respect of noise and the noise levels shall not exceed this limit, as prescribed by the Schedule. The Rules also prescribe methods to cut down on noise from various sources including industries, such as by mounting machinery, using insulating screens and suitable ducts, etc.

### ***National Environment Policy (the “Policy”)***

The present national policies for environmental management are contained in the National Forest Policy, 2018, the National Conservation Strategy and Policy Statement on Environment and Development, 1992, the Policy Statement on Environment and Development, 1992; and the Policy Statement on Abatement of Pollution, 1992. Some sector policies such as the National Agriculture Policy, 2018; National Population Policy, 2000; and National Water Policy, 2012 have also contributed towards environmental management. All these policies have recognized the need for sustainable development in their specific contexts and formulated necessary strategies to give effect to such recognition. The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. It does not displace, but builds on the earlier policies.

The Objectives of the Policy are as follows:

- 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

The Policy evolved from the recognition that only such development is sustainable, which respects ecological constraints and the imperatives of justice. The objectives stated above are to be realized through various strategic interventions by different public authorities at Central, State and Local government levels. They would also be the basis of diverse partnerships. The principles followed in the Policy are:

- Human beings are the center of sustainable development concerns
- Right to development must be fulfilled so as to equitably meet developmental and environmental needs of present and future generations.
- In order to achieve sustainable development environmental protection shall constitute an integral part of the development process and cannot be considered in isolation from it.
- Where there are credible threats of serious or irreversible damage to key environmental resources, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.
- In various public actions for environmental conservation, economic efficiency would be sought to be realized.

### ***Plastic Waste Management Rules, 2016***

Under the Plastic Waste Management Rules, 2016, all institutional generators of plastic waste, are required to

inter alia, segregate and store the waste generated by them in accordance with the Solid Waste Management Rules, 2016, and handover segregated wastes to authorized waste processing or disposal facilities or deposition centres, either on its own or through the authorized waste collection agency.

## **G. INTELLECTUAL PROPERTY LAWS**

### ***Information Technology Act, 2000***

The Information Technology Act, 2000 (the “**IT Act**”) creates a liability on a body corporate which is negligent in implementing and maintaining reasonable security practices and procedures, and thereby causing wrongful loss or wrongful gain to any person, while possessing, dealing with, or handling any sensitive personal data or information in a computer resource owned, controlled or operated by it but affords protection to intermediaries with respect to third party information liability. The IT Act also provides for civil and criminal liability including compensation, fines, and imprisonment for various computer related offences. These include offences relating to unauthorised disclosure of confidential information and committing of fraudulent acts through computers, tampering with source code, unauthorised access, publication or transmission of obscene material etc. The IT Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. 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. In April 2011, the Department of Information Technology under the Ministry of Communications and Information Technology notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules 2011 under Section 43A of the IT Act and the Information Technology (Intermediaries Guidelines) Rules, 2011 under Section 79(2) of the IT Act.

### ***Indian Patents Act, 1970***

The purpose of the Indian Patents Act, 1970 (the “**Act**”) is to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the terms of the patent. An invention means a new product or process involving an inventive step capable of industrial application. An application for a patent can be made by (a) a person claiming to be the true and first inventor of the invention; (b) a person being the assignee of the person claiming to be the true and first inventor in respect of the right to make such an application; and (c) legal representative of any deceased person who immediately before his death was entitled to make such an application.

### ***Trade Marks Act, 1999***

Indian trademark law permits the registration of trademarks for goods and services. The Trade Marks Act, 1999 (“**Trade Mark Act**”) governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. Once granted, trademark registration is valid for ten years, unless cancelled, and may be renewed indefinitely upon payment of renewal fees every ten years. If not renewed after ten years, the mark lapses and the registration has to be restored. The Trade Mark (Amendment) Act, 2010 has been enacted by the Government to amend the Trade Mark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to align the law with international practice.

In March 2017, the Trade Marks Rules, 2017 (“**Trade Mark Rules**”) were notified, in supersession of the Trade Marks Rules, 2002. The Trade Marks Rules brought with them some changes in the application process, in terms of an increase in application fees and common formats for multiple kinds of applications. However, the e-filing process has been incentivized by providing lower application fees.

## **H. EMPLOYMENT RELATED LAWS**

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

The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of

Bonus Act, 1965 and the Equal Remuneration Act, 1976. The Central Government has notified certain provisions of this code mainly in relation to the constitution of the advisory board.

### ***The Occupational Safety, Health and Working Conditions Code, 2020***

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### ***The Industrial Relations Code, 2020***

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### ***The Code on Social Security, 2020***

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### ***Factories Act, 1948***

The Factories Act, 1948 (the "***Factories Act***") regulates the provisions relating to labour employed in factories. This Act defines a factory as any premises on which ten or more workers are employed or were employed on any day of the previous twelve (12) months, and on which a manufacturing process is being carried on with the aid of power, or a premises on which twenty or more workers are employed or were employed on any day of the previous twelve (12) months and on which a manufacturing process is carried on ordinarily without the use of power. The Factories Act provides for the health, safety, and welfare of all workers and requires that the '*Occupier*' (defined as the person who has ultimate control over the affairs of the factory and in case of a company, any one of the directors) ensures that all the workers are within safe working conditions while they are in the factory, and are not exposed to any health risks and that they receive adequate instruction, training and supervision to ensure the same. The Factories Act also makes provisions relating to the employment of women and young persons (including children and adolescents), annual leave with wages, etc.

The Factories Act requires an Occupier of a factory to obtain approval, license, and registration for running and qualifying as a factory under the Factories Act, by submitting the application along with plans and specifications to the State Government or the Chief Inspector. Unless this permission from the Chief Inspector is obtained, no building can be constructed or taken in use as a factory or a part of an existing factory. The Chief Inspector may, on receipt of the said application and on being satisfied that there is no objection to the grant of license applied for, register the factory and grant the license to the applicant to use as factory such premises as are specified in the application and subject to compliance with such conditions as are specified in the license.

Any contravention of the provisions of the Factories Act or the rules framed thereunder may lead to imprisonment of the manager or the Occupier of the factory for a term up to two (2) years or with a fine of ₹ 100,000 or both, and in case of continuing contravention even after conviction, with a fine of up to ₹ 1,000 per day of contravention. In case of a contravention which results in an accident causing death or serious bodily injury, the fine shall be not less than ₹ 25,000 and ₹ 5,000 respectively.

### ***Industries (Development and Regulation) Act, 1951***

The Industries (Development and Regulation) Act, 1951 (the "***Act***") governs the development and regulation of industries in India, and its main objective is to empower the Government to: (i) take necessary steps for the

development of industries; (ii) regulate the pattern and direction of industrial development; and (iii) control the activities, performance and results of industrial undertakings in public interest. The Act is applicable to the 'Scheduled Industries' which have been listed down in the first schedule of the Act and small-scale industrial undertakings and ancillary units are exempted from the provisions of the Act.

The Act regulated the industries by requiring them to obtain industrial licensing by filing an Industrial Entrepreneur Memoranda with the Secretariat of Industrial Assistance, Department of Industrial Policy and Promotion. This Act is administered by the Ministry of Industries and Commerce through its Department of Industrial Policy & Promotion. This department is responsible for the formulation and implementation of promotional and developmental measures for growth of the industrial sector and also monitors the industrial growth and production, in general, and selected industrial sectors.

In addition to above, we are subject to a wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our labourers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees' (Provident Fund and Miscellaneous Provision) Act, 1952.

### ***I. General Corporate and Other Allied Laws***

Apart from the above list of laws which is inclusive in nature and not exhaustive – general laws like the Indian Contract Act, 1872, Specific Relief Act, 1963, Negotiable Instruments Act, 1881, Sale of Goods Act, 1930, Consumer Protection Act, 1986, Anti Trust law such as Competition Act, 2002 and corporate Acts namely Companies Act, 1956 and Companies Act, 2013 are also applicable to the Company.

## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as ‘Uma Converter Private Limited’ on June 18, 1999 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Pursuant to a special resolution of our Shareholders passed in the 19<sup>th</sup> annual general meeting held on August 29, 2018 our Company was converted from a private limited company to a public limited company and consequently the name of our Company was changed to ‘Uma Converter Limited’, and a fresh certificate of incorporation dated September 27, 2018 was issued to our Company by the Registrar of Companies, Gujarat at Ahmedabad. The corporate identification number of our Company is U25111GJ1999PLC036163.

### Change in registered office of our Company

The registered office of our Company was originally situated at 34, B-Block, 2<sup>nd</sup> Floor, B.G. Tower, Outside Delhi Darwaja, Ahmedabad – 380 004, Gujarat, India. Thereafter, the registered office of our Company was changed to the following address:

Date of Change	New address	Reason for Change
July 18, 2003	A/36. 4th Floor, Circle-B, Judges Bungalow Road. Sarkhej - Gandhinagar Highway, Bodakdev, Ahmedabad – 380 015, Gujarat, India.	Operational convenience
August 30, 2016	Block number 868, Near CNG Petrol Pump, Santej Road, Village - Santej, Taluka - Kalol, Gandhinagar- 382 721, Gujarat, India.	Operational convenience

### Main Objects of our Company

The main objects of our Company are as follows:

- To carry on the business as manufacturer, processors inventors, converters, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, packers, movers, preserves, stockiest agent, merchants, distributors, jobbers, brokers, concessionaries or otherwise deal in aluminium, foils, coating, lamination, printing, card board packing, plastic packing, polythene packing, gunny bags packing, containers, bottles, hollow wares, whether made, of leather, plastic, HDPE, LDPE, PVC, PP, BOPP, Polypropylene, polyethylene products, polypropylene products, PP material, Packaging Bag. BOPP , PET (polyester) Products, paper, plastic papers, PLA film products, biodegradable film, food snacks products, plastic, Nylon, PVC and man made fibrous materials and all kinds and varieties of packaging materials uses in various, FMCG market, sea food, food snacks industries and packing printing used in industrial purpose.*
- To carry on the business of manufacturing, trading, exporting, importing, processing, or otherwise deal in all kinds and plastic, Bopp, polyster & Aluminium foil and other packaging materials with or without lamination and printing and other allied products and to deal in all kinds and types of polyester, plastic and other packing materials.*

The main objects as contained in the MoA enable our Company to carry on the business presently being carried out and the activities proposed to be undertaken pursuant to the objects of this Issue.

### Amendments to the Memorandum of Association

The following amendments have been made to the Memorandum of Association of our Company in the last ten (10) years:

Date of shareholder's resolution	Nature of amendments
May 20, 2021	Clause V of the MoA was amended to reflect the increase in authorised share capital of our Company from ₹ 15,00,00,000 divided into 1,50,00,000 Equity Shares of ₹ 10 each to ₹ 22,00,00,000 consisting of 2,20,00,000 Equity Shares of ₹ 10 each.
March 25, 2019	Clause V of the MoA was amended to reflect the increase in authorised share capital of our Company from ₹ 12,00,00,000 divided into 1,20,00,000 Equity Shares of ₹ 10 each to ₹ 15,00,00,000 divided into 1,50,00,000 Equity Shares of ₹ 10 each.



<b>Date of shareholder's resolution</b>	<b>Nature of amendments</b>
August 29, 2018	<p><i>Clause I of the MoA was amended to reflect the conversion of our Company from a private limited company into a public limited company and the consequent change in name of our Company from "Uma Converter Private Limited" to "Uma Converter Limited".</i></p> <hr/> <p><i>Clause V of the MoA was amended to reflect the increase in authorised share capital of our Company from ₹ 5,50,00,000 divided into 55,00,000 Equity Shares of ₹ 10 each to ₹ 12,00,00,000 divided into 1,20,00,000 Equity Shares of ₹ 10 each.</i></p> <hr/> <p><i>Clause III of the MoA was altered to reflect the substitution of the erstwhile Clause III(A) with the following clause:</i></p> <ol style="list-style-type: none"> <li><i>To carry on the business as manufacturer, processors inventors, converters, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, packers, movers, preserves, stockiest agent, merchants, distributors, jobbers, brokers, concessionaries or otherwise deal in aluminium, foils, coating, lamination, printing, card board packing, plastic packing, polythene packing, gunny bags packing, containers, bottles, hollow wares, whether made, of leather, plastic, HDPE, LDPE, PVC, PP, BOPP, Polypropylene, polyethylene products, polypropylene products, PP material, Packaging Bag, BOPP , PET (polyester) Products, paper, plastic papers, PLA film products, biodegradable film, food snacks products, plastic, Nylon, PVC and man made fibrous materials and all kinds and varieties of packaging materials uses in various, FMCG market, sea food, food snacks industries and packing printing used in industrial purpose.</i></li> <li><i>To carry on the business of manufacturing, trading, exporting, importing, processing, or otherwise deal in all kinds and plastic, Bopp, polyester &amp; Aluminium foil and other packaging materials with or without lamination and printing and other allied products and to deal in all kinds and types of polyester, plastic and other packing materials.</i></li> </ol>
August 30, 2016	<p><i>Clause III of the MoA was altered to reflect the addition of Clause 4 to the main objects in the following manner:</i></p> <ol style="list-style-type: none"> <li><i>To carry on in India or elsewhere the business to trade, commerce and deal in all varieties, characteristics, descriptions, applications and uses of all types, kinds and varieties of agro base products, goods, materials, guar dals, guar churi-korma, guar gums powder, its raw materials, its byproducts, feeds and its supplements and allied activities.</i></li> </ol>
January 29, 2014	<p><i>Clause V of the MoA was amended to reflect the increase in authorised share capital of our Company from ₹ 3,50,00,000 divided into 35,00,000 Equity Shares of ₹ 10 each to ₹ 5,50,00,000 divided into 55,00,000 Equity Shares of ₹ 10 each.</i></p>

## **Corporate profile of our Company**

For details regarding the description of our Company's activities, services, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, launch of key products or services, entry in new geographies or exit from existing markets, major suppliers, distributors and customers, segment, capacity/facility creation, 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 146, 179 and 254 respectively, of this Draft Red Herring Prospectus.

## **Major Events and Milestones**

The table below sets forth some of the key events, milestones in our history since its incorporation.

<b>Year</b>	<b>Events</b>
2000	Commencement of commercial production of flexible packaging material in the manufacturing unit situated at Block number 868 and 871, Near CNG Petrol Pump, Santej Road, Village - Santej, Taluka - Kalol, Gandhinagar- 382 721, Gujarat, India ("Unit -I") with an installed capacity of 720 metric tones per annum.
2006	Our Company commenced its export operations.
2007	Increase in manufacturing capacity of Unit-I from 720 metric tones per annum to 2,400 metric tones per annum.
2008	Increase in manufacturing capacity of Unit-I from 2,400 metric tones per annum to 3,600 metric tones per annum.
2011	The sales revenue of our Company during the financial year 2010-2011 increased by 39% and the profits earned by our Company increased by 155%.
2015	During the financial year 2014-2015, our Company achieved a milestone turnover of ₹ 8516.49lakhs.

Year	Events
2016	During the financial year 2015-2016, our Company surpassed its milestone turnover and achieved a net turnover of ₹ 8709.95 lakhs.
2018	Setting up of an additional unit to increase our manufacturing capacity by acquiring land situated at Block Number 291, 294, 295 and 296, Village Timba, Dascroi, Ahmedabad -382 425, Gujarat, India (“Unit-II”). Our Company reported a net turnover and net profit after tax and depreciation of ₹ 9014.05 lakhs and ₹ 358.39 lakhs, respectively.
2019	Commencement of commercial production in Unit-II. Our Company reported a net turnover and net profit after tax and depreciation of ₹ 10,439.09 lakhs and ₹ 429.31 lakhs, respectively.
2020	Our Company commenced export operations in Unit – II. Our Company implemented Flexibiz Gold ERP in all our offices and manufacturing units.

### Awards and Accreditations

The table below sets forth some of the awards and accreditations received by our Company:

Calendar Year	Awards and Accreditations
2008	Received a certificate of registration from Alcumus ISOQAR certifying that the management system applied by our Company in Unit-I has been approved by Alcumus ISOQAR and is compliant with the requirement of ISO 9001:2015. Received a certificate of registration from Alcumus ISOQAR certifying that the food safety management system applied by our Company in our Unit-I has been approved by Alcumus ISOQAR and is compliant with the requirement of ISO 22000:2005.
2020	Received a certificate from SGS United Kingdom Limited certifying that manufacturing of printed and laminated flexible packaging material in roll and pouch form in Unit – II meet the requirements of ISO 9001:2015. Our Company was awarded with the ‘IFCA Star 2019’ award in recognition of excellence in packaging of ‘Real Namkeen Ratlami Sev 400 grams’ in the category of graphic design. Our Company was awarded with the ‘IFCA Star 2019’ award in recognition of excellence in packaging of ‘Real Namkeen Ratlami Sev 400 grams’ in the category of innovation/ graphic design. Our Company received a certificate of appreciation from Britannia Industries Limited for our collaborative partnership and immediate response during the COVID-19 pandemic crisis.
2021	Received a certificate from SGS United Kingdom Limited certifying that food safety management systems applied in Unit – II meet the requirements of FSSC 22000. Received a certificate from SGS United Kingdom Limited certifying that blown film extrusion, rotogravure printing, lamination, slitting, pouching of PE/PP/PET/paper based flexible laminate rolls and pouches for food and non-food packaging applications manufactured in Unit – II meet the global standard for packaging materials.

### Time and Cost Overrun

Our Company has not experienced any significant time and cost overrun in setting up projects.

### Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks

There are no defaults or rescheduling of borrowings from financial institutions or banks or conversion of loans into equity in relation to our Company.

### Details regarding material acquisition or disinvestments of business / undertakings, mergers, amalgamation

Our Company has not made any business acquisition, merger and amalgamation or disinvestment of business in the last ten years.

### Revaluation of assets

Our Company has neither revalued its assets nor has issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves in the last ten years.

### Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

**Subsidiaries of our Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries.

**Associate or Joint ventures of our Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures or associate companies.

**Strategic and Financial Partners**

As on date of this Draft Red Herring Prospectus our Company does not have any strategic and financial partners.

**Shareholders and Other Agreements**

There are no shareholders and other material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us.

**Agreements with key managerial personnel or a Director or Promoters or any other employee of the Company**

There are no agreements entered into except in the ordinary course of business by a Key Managerial Personnel or Director or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

**Guarantees given by Promoters offering its shares in the Offer for Sale**

This is a fresh issue of Equity Shares and our Promoters are not offering their shares in this Issue.

**Material Agreements**

Our Company has not entered into any material agreements with strategic partners, joint venture partners and/or financial partners, other than in the ordinary course of business of our Company.

## OUR MANAGEMENT

### Our Board of Directors

Our Articles of Association require us to have not less than three (03) and not more than fifteen (15) Directors. As on date of this Draft Red Herring Prospectus, we have six (06) Directors on our Board, which includes, one (01) Managing Director, one (01) Whole-time Director, one (01) Executive Director, who is also the woman director of our Company and three (03) Independent Directors.

Set forth below, are details regarding our Board as on the date of this Draft Red Herring Prospectus:

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<b>Sumer Raj Lodha</b> <b>DIN:</b> 00033283 <b>Date of Birth:</b> July 30, 1957 <b>Designation:</b> Chairman and Managing Director <b>Address:</b> C-3/42, Goyal Inter City, Opposite T V Tower, Drive in Road, Thaltej, Ahmedabad City, Ahmedabad – 380 054, Gujarat, India. <b>Occupation:</b> Business <b>Term:</b> For a period of five (05) years w.e.f. March 01, 2020 until February 28, 2025. <b>Nationality:</b> Indian	63	1. Nirmi Flexipack Private Limited
<b>Nirmala Lodha</b> <b>DIN:</b> 00033246 <b>Date of Birth:</b> September 23, 1963 <b>Designation:</b> Executive Director <b>Address:</b> C-3/42, Goyal Inter City, Opposite T V Tower, Drive in Road, Thaltej, Ahmedabad City, Ahmedabad – 380 054, Gujarat, India. <b>Occupation:</b> Business <b>Term:</b> Liable to retire by rotation <b>Nationality:</b> Indian	57	1. Nirmi Flexipack Private Limited
<b>Abhishek Sumerraj Lodha</b> <b>DIN:</b> 07106811 <b>Date of Birth:</b> July 28, 1986 <b>Designation:</b> Whole-time Director <b>Address:</b> C-3/42, Goyal Inter City, Opposite T V Tower, Drive in Road, Thaltej, Ahmedabad City, Ahmedabad – 380 054, Gujarat, India. <b>Occupation:</b> Business	34	Nil

<b>Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality</b>	<b>Age (years)</b>	<b>Other Directorships</b>
<b>Term:</b> For a period of five (05) years w.e.f. April 01, 2021 until March 31, 2026 and liable to retire by rotation.		
<b>Nationality:</b> Indian		
<b>Ashok Ruplal Kavdia</b>	58	1. Chartered Capital and Investment Limited; and 2. Empirical Solutions Private Limited.
<b>DIN:</b> 00054601		
<b>Date of Birth:</b> August 11, 1962		
<b>Designation:</b> Independent Director		
<b>Address:</b> D-1004, Dhananjay Tower, 100 ft. road, Satellite, Ahmedabad City, Ambawadi Vistar, Ahmedabad – 380 015, Gujarat, India.		
<b>Occupation:</b> Practicing chartered accountant/ Professional		
<b>Term:</b> For a period of five (05) years w.e.f. August 13, 2018.		
<b>Nationality:</b> Indian		
<b>Mohit Rajendra Mehta</b>	31	Nil
<b>DIN:</b> 08204107		
<b>Date of Birth:</b> July 07, 1989		
<b>Designation:</b> Independent Director		
<b>Address:</b> 802, Shivalik Paradise, opposite Torrent Power Samanvay, Manekbaug Society, Nehrunagar, Ahmedabad City, Manekbag, Ahmedabad – 380 015, Gujarat, India.		
<b>Occupation:</b> Business		
<b>Term:</b> For a period of five (05) years w.e.f. August 21, 2018.		
<b>Nationality:</b> Indian		
<b>Pradeep Randhirmal Lodha</b>	60	1. Sunshine Weigh Systems Private Limited; and 2. Sharda Organiser & Buildcon Private Limited.
<b>DIN:</b> 01560437		
<b>Date of Birth:</b> February 15, 1961		
<b>Designation:</b> Additional (Independent) Director		
<b>Address:</b> A 701, Gala Luxuria, Gymkhana road, Near Safal Parisar, South Bopal, Bopal, Ahmedabad – 380 058, Gujarat, India.		
<b>Occupation:</b> Business		
<b>Term:</b> For a period of five (05) years w.e.f. April 20, 2021.		
<b>Nationality:</b> Indian		

### **Brief Biographies of our Directors**

**Sumer Raj Lodha**, aged 63 years, is the Chairman of the Board, the Managing Director and one of the Promoters of our Company who has been associated with our Company since its inception. He holds a bachelor's degree in arts from Jodhpur University and has an experience of over three decades in the packaging industry. He played an instrumental role in expansion of our production capacities and setting up of our additional manufacturing unit. He is one of the founding members of our Company and is one the leading lights, in giving us a sense of direction and growth in the overall packaging industry. His direct connect with the top two levels of leadership at our managerial level and at the production facilities have been instrumental in employee connect and outreach, which has resulted in stability and retention of the best talent.

**Nirmala Lodha**, aged 57 years, is an Executive Director and one of our Promoters associated with our Company since its inception. She has an experience of about three decades in the packaging industry. She has associated with our Company since its inception and is one of the founding members of our Company. She has played an instrumental role in expanding our business operation and in setting up of our additional manufacturing unit in Gujarat. She is responsible for supervising the human resource and administration department of our Company.

**Abhishek Sumerraj Lodha**, aged 34 years, is the Whole-time Director and one of the Promoters of our Company. He holds a bachelor's degree in engineering from RMIT University, Australia and has been associated with our Company since the year 2015 in the capacity of a director. He has been the driving force expansion of units in Gujarat state. The two manufacturing units are run under his direct guidance and leadership. His knowledge and expertise help the Company in achieving the desired production efficiency thereby resulting in lower wastage in manufacturing activity. He oversees and supervises the production and the human resource management of our Company. He was designated as the Whole-time Director of our Company with effect from April 01, 2021 in the meeting of the Board of Directors dated April 20, 2021 and the Extra-ordinary General Meeting of the Shareholders dated May 20, 2021.

**Ashok Ruplal Kavdia**, aged 58 years, is an Independent Director of our Company. He holds a bachelor's degree in science from University of Udaipur. He is an associate member and a fellow member of the Institute of Chartered Accountants of India. He is a director on the board of directors of various companies such as Chartered Capital and Investment Limited and Empirical Solutions Private Limited. He was appointed as an Additional Director of our Company with effect from August 13, 2018 and his appointment was regularized on August 29, 2018.

**Mohit Rajendra Mehta**, aged 31 years, is an Independent Director of our Company. He holds a bachelor's degree in commerce from Gujrat University. He is an associate of the Institute of Chartered Accountants of India He has also passed the professional programme examination held by the Institute of Company Secretaries of India. He holds a certificate of practice issued by the Institute of Chartered Accountants of India and is a practicing-chartered accountant. He was appointed as an Additional Director of our Company with effect from August 21, 2018 and his appointment was regularized on August 29, 2018.

**Pradeep Randhirmal Lodha**, aged 60 years is an Additional (Independent) Director of our Company. He is a director on the board of directors of various companies such as Sunshine Weigh Systems Private Limited and Sharda Organiser & Buildcon Private Limited. He was appointed as an Additional Director of our Company in the meeting of the Board of Directors dated April 20, 2021.

### Confirmations

1. None of our Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Red Herring Prospectus with the SEBI, during the term of his/ her directorship in such company.
2. Further, none of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.

### Relationship between our Directors

Except as stated below, none of our Directors are related to each other:

Name of Director	Relationship
Sumer Raj Lodha	Father of Abhishek Sumerraj Lodha and husband of Nirmala Lodha

<b>Name of Director</b>	<b>Relationship</b>
Nirmala Lodha	Mother of Abhishek Sumerraj Lodha and wife of Sumer Raj Lodha
Abhishek Sumerraj Lodha	Son of Sumer Raj Lodha and Nirmala Lodha

### **Arrangements and Understanding with Major Shareholders**

None of our Key Managerial Personnel or Directors have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others pursuant to which of the directors was selected as a director or member of senior management.

### **Payment or Benefit to officers of our Company**

Except as stated otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

Except as stated in this Draft Red Herring Prospectus and except for statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made regularly by our Company towards provident fund, gratuity fund and employee state insurance.

### **Borrowing Powers of our Board**

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Our Company has, pursuant to an Annual General Meeting held on August 12, 2019, resolved that in accordance with the provisions of the Companies Act, 2013, our Board is authorised to borrow, from time to time, such sum or sums of moneys as the Board which together with the moneys already borrowed by our Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed at any time the aggregate of the paid – up capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys borrowed by the Board of Directors and outstanding at one time shall not exceed ₹ 15,000 lacs.

### **Terms of appointment and remuneration of our Managing Director and Whole-time Director**

#### *i. Terms of Appointment of Sumer Raj Lodha*

Pursuant to a resolution passed by the Nomination and Remuneration Committee and the Board of Directors at the meeting held on July 19, 2019 and approved by the Shareholders of our Company at the AGM held on August 12, 2019, Sumer Raj Lodha was re-appointed as the Managing Director of our Company for a period of five (05) years with effect from March 01, 2020 along with the terms of remuneration, which provides that the aggregate of his salary, allowances and perquisites in any one financial year shall be in accordance with Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder.

<b>Basic Salary</b>	Upto ₹ 7.00 lakhs per month (with power to the Board of Directors to increase/ decrease/ modify the salary structure from time to time.)
<b>Perquisites</b>	In addition to the salary received, the Managing Director of our Company is entitled to the following perquisites and allowances: <ul style="list-style-type: none"> <li>• <b>Conveyance Allowance:</b> Conveyance allowance of ₹ 16,800/- per month (2.40% of the basic salary (with power to the Board of Directors to increase/ decrease/ modify the salary structure from time to time)).</li> <li>• <b>Contribution to the provident fund:</b> Contribution to the provident fund at the rate of 12% of the basic salary shall be credited to the PF account of Mr. Sumer Raj Lodha. Superannuation or annuity fund shall not be included in computation of the ceiling on perquisites and shall be payable to the extent to these either singly or put together are not taxable under the Income Tax Act, 1961.</li> </ul>
<b>Minimum Remuneration</b>	In the event of loss or inadequacy of profits in any financial year, Sumer Raj Lodha shall be entitled to receive a total remuneration including perquisites, etc., not exceeding the ceiling limits as approved by the Board of Directors and the members, as minimum remuneration.

#### *ii. Terms of Appointment of Abhishek Sumerraj Lodha*

Pursuant to a resolution passed by the Nomination and Remuneration Committee and the Board of Directors at the meeting held on April 20, 2021 and approved by the Shareholders of our Company at the EGM held on May 20, 2021, Abhishek Sumerraj Lodha was designated as the Whole-time Director of our Company for a period of five (05) years with effect from April 01, 2021 along with the terms of remuneration, which provides that the aggregate of his salary, allowances and perquisites in any one financial year shall be in accordance with Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder.

<b>Basic Salary</b>	Upto ₹ 5.75 lakhs per month (Subject to upward or downward revision in salary as recommended by Nomination and Remuneration Committee and approved by the Board of Directors from time to time).
<b>Perquisites / Allowances</b>	In addition to the salary received, the Whole-time Director of our Company is entitled to the following perquisites and allowances: <ul style="list-style-type: none"> <li>• <b>Medical Reimbursement:</b> Reimbursement of medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalization, surgical charges, and nursing charges and domiciliary charges for self and for family.</li> <li>• <b>Leave Travel Concession:</b> Leave travel concession for self and family, every year incurred in accordance with the rules of the Company.</li> <li>• <b>Personal Accident Insurance/Group Life Insurance:</b> Premium not to exceed ₹ 25000 per annum.</li> <li>• <b>Provident Fund/Pension:</b> Contribution to Provident Fund and Pension Fund to the extent such contributions, either singly or put together are exempt under the Income Tax Act, 1961. Contribution to Pension Fund will be paid on basic salary and commission.</li> <li>• <b>Gratuity:</b> Gratuity payable shall be in accordance with the provisions of the Payment of Gratuity Act, 1972 and to the extent not taxable under the Income Tax Act, 1961.</li> <li>• Car for use on company's business and telephone at residence will not be considered as perquisites. Personal long-distance calls and use of car for private purpose shall be billed by the Company.</li> </ul>
<b>Minimum Remuneration</b>	In the event of loss or inadequacy of profits in any financial year, Abhishek Sumerraj Lodha shall be entitled to receive a total remuneration including perquisites, etc., not exceeding the ceiling limits as approved by the Board of Directors and the members, as minimum remuneration.

## Remuneration details of our Directors

### (i) Remuneration of our Executive Directors

The aggregate value of the remuneration paid to the Executive Directors in Fiscal 2021 is as follows:

S. No.	Name of the Director	Remuneration (₹ in lacs)
1.	Sumer Raj Lodha	78.75
2.	Nirmala Lodha	71.87
3.	Abhishek Sumerraj Lodha	66.12

Our Executive Directors were not paid sitting fee in Fiscal 2021 for attending meetings of the Board of Directors and its committees.

### (ii) Sitting fee details of our Independent Directors

Our Independent Directors were not paid sitting fee in Fiscal 2021 for attending meetings of the Board of Directors and its committees.

## Payment or benefit to Directors of our Company

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Executive Directors except the normal remuneration for services rendered as a Director of our Company. Additionally, there is no contingent or deferred compensation payable to any of our Directors.

## Remuneration paid to our Directors by our Subsidiary

As on date of this Draft Red Herring Prospectus, our Company does not have a subsidiary.



## Loans to Directors

There are no loans that have been availed by the Directors from our Company that are outstanding as of the date of this Draft Red Herring Prospectus.

## Shareholding of Directors in our Company

Except as stated below, none of our other Directors holds any Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of Director	Number of Equity Shares	% of the pre-Issue Equity Share Capital
1.	Sumer Raj Lodha	40,46,188	27.54
2.	Nirmala Lodha	56,51,101	38.46
3.	Abhishek Sumerraj Lodha	26,40,214	17.97

## Shareholding of Directors in our Subsidiaries

As on date of this Draft Red Herring Prospectus, our Company does not have a subsidiary.

## Interest of our Directors

Our Executive Directors may be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our see “*Terms of appointment and remuneration of our Executive Directors*” above.

Sumer Raj Lodha, Nirmala Lodha and Abhishek Sumerraj Lodha are the Promoters of our Company and may be deemed to be interested in the promotion of our Company to the extent that they have promoted our Company. Except as stated above, our Directors have no interest in the promotion of our Company other than in the ordinary course of business. Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Company, if any, details of which have been disclosed above under the heading “*Shareholding of Directors in our Company*”. All of 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 Equity Shares.

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 promoter, directors, partners, proprietors or trustees or kartas or coparceners 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 promoter, directors, partners, proprietors, members or trustees, pursuant to this Issue. Except as disclosed in “*Financial Information*” and “*Our Promoters and Promoter Group*” on pages 205 and 195, respectively of this Draft Red Herring Prospectus, our Directors are not interested in any other company, entity or firm.

Our Whole-time Director, Abhishek Sumerraj Lodha is interested in our Company, to the extent that his wife Shradha Abhishek Lodha is employed with our Company in the capacity of HR Head and receives remuneration in the said capacity.

Except as disclosed in “*Financial Information*” and “*Financial Indebtedness*” on page 205 and 268, respectively in this Draft Red Herring Prospectus, our Directors have not extended any personal guarantees for securing the repayment of the bank loans obtained by our Company. Further, our Directors, Sumer Raj Lodha and Nirmala Lodha have provided their personal properties as collateral securities for the loans availed by our Company, for further details, please refer to the chapter titled “*Financial Indebtedness*” on page 268 of this Draft Red Herring Prospectus.

Except as stated in “*Restated Financial Information - Annexure - V: Significant Accounting Policies and Explanatory Notes to the Restated Financial Statements- Note 42- Related Party Disclosures*” on page 205 of this Draft Red Herring Prospectus, our Directors do not have any other interest in the business of our Company.

## Interest as to property

Our Executive Directors and Promoters, Nirmala Lodha and Sumer Raj Lodha hold interest in the property of our Company, for further details, please refer to the chapter titled “*Our Business- Land and Property*” and “*Our Promoters and Promoter Group*” on pages 161 and 195 of this Draft Red Herring Prospectus. Except as mentioned above, as on date of this Draft Red Herring Prospectus, our Directors do not have any interest in any property acquired or proposed to be acquired by our Company or of our Company.

### **Bonus or Profit Sharing Plan for our Directors**

None of our Directors are a party to any bonus or profit sharing plan.

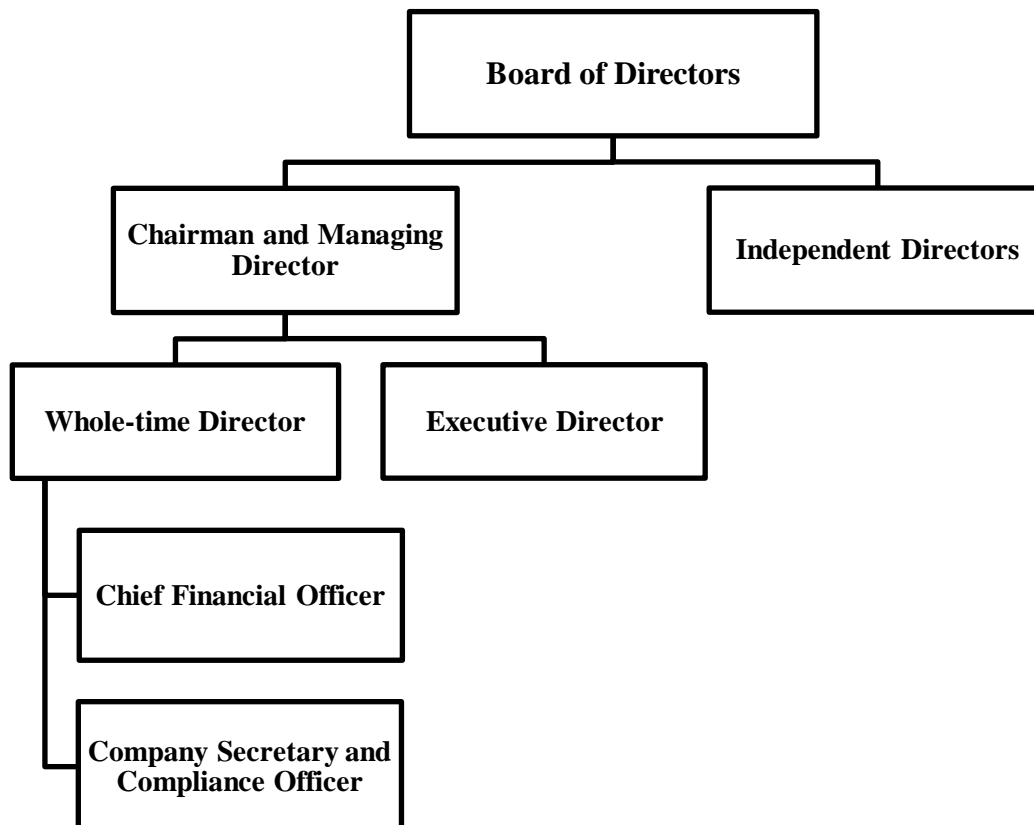
### **Changes in our Board during the Last Three Years**

Except as disclosed below, there have been no changes in our Board during the last three years.

<b>Name of Director</b>	<b>Date of Appointment</b>	<b>Date of Cessation</b>	<b>Reason</b>
Mahendra Bhansali	August 13, 2018	-	Appointed as an Additional Independent Director
Ashok Ruplal Kavdia	August 13, 2018	-	Appointed as an Additional Independent Director
Mohit Rajendra Mehta	August 21, 2018	-	Appointed as an Additional Independent Director
Mahendra Bhansali	-	March 10, 2021	Cessation as an Independent Director
Pradeep Randhirmal Lodha	April 20, 2021	-	Appointed as an Additional (Independent) Director

### **Management Organization Structure**

Set forth is the management organization structure of our Company



## Corporate Governance

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares on the Stock exchange.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI (ICDR) Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

### Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- a) Audit Committee;
- b) Stakeholders' Relationship Committee;
- c) Nomination and Remuneration Committee;
- d) Corporate and Social Responsibility Committee; and
- e) IPO Committee.

Details of each of these committees are as follows:

#### *a. Audit Committee*

Our Audit Committee was constituted on March 08, 2019 and reconstituted on April 20, 2021 with the following members forming a part of the said Committee:

Sr. No.	Name of Member	Designation
1.	Ashok Ruplal Kavdia	Chairman
2.	Mohit Rajendra Mehta	Member
3.	Sumer Raj Lodha	Member

The Audit Committee is in compliance with Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Audit Committee.

The scope, functions and the terms of reference of our Audit Committee, is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations which are as follows:

#### *A. Powers of Audit Committee*

The Audit Committee shall have the following powers:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary

#### *B. Role of the Audit Committee*

The role of the audit committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - b. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - c. Changes, if any, in accounting policies and practices and reasons for the same;
  - d. Major accounting entries involving estimates based on the exercise of judgment by management;
  - e. Significant adjustments made in the financial statements arising out of audit findings;
  - f. Compliance with listing and other legal requirements relating to financial statements;
  - g. Disclosure of any related party transactions; and
  - h. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Monitoring the end use of funds raised through public offers and related matters;
8. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
9. Approval of any subsequent modification of transactions of the company with related parties;
 

**Explanation:** The term "related party transactions" shall have the same meaning as provided in Clause 2 (zc) of the SEBI Listing Regulations and/or the Accounting Standards.
10. Scrutiny of inter-corporate loans and investments;
11. Valuation of undertakings or assets of the company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

17. 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;
18. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. Reviewing the functioning of the whistle blower mechanism;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and
22. Reviewing the utilization of loans and/or advances from/investments by the holding company in the subsidiary exceeding rupees hundred crores or 100% of the asset size of the subsidiary, whichever is lower including existing loans / advances/ investments, as may be applicable.

Further, the Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- 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 Listing 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) the SEBI Listing Regulations.

As required under the SEBI Listing Regulations, the Audit Committee shall meet at least four times a year with maximum interval of four months between two meetings and the quorum for each meeting of the Audit Committee shall be two members or one third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

***b. Stakeholders' Relationship Committee***

Our Stakeholder' Relationship Committee was constituted on April 20, 2021. The members of the said Committee are as follows:

<b>Sr. No.</b>	<b>Name of Member</b>	<b>Designation</b>
1.	Pradeep Randhirmal Lodha	Chairman
2.	Sumer Raj Lodha	Member
3.	Abhishek Sumerraj Lodha	Member

The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Stakeholders' Relationship Committee.

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and the terms of reference, powers and scope of the Stakeholders' Relationship Committee of our Company include:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipts of annual reports, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
2. Review of measures taken for effective exercise of voting rights of by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipts of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company; and
5. Carrying out any other function as prescribed under the SEBI Listing Regulations as and when amended from time to time.

As required under the SEBI Listing Regulations, the Stakeholders Relationship Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the security holders. The quorum of the meeting shall be either two members or one third of the members of the committee whichever is greater.

***c. Nomination and Remuneration Committee***

Our Nomination and Remuneration Committee was constituted on March 08, 2019 and reconstituted on April 20, 2021 with the following members:

<b>Sr. No.</b>	<b>Name of Member</b>	<b>Designation</b>
1.	Pradeep Randhirmal Lodha	Chairman
2.	Ashok Ruplal Kavdia	Member
3.	Mohit Rajendra Mehta	Member

The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 19 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Nomination and Remuneration Committee.

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations and the terms of reference, powers and role of our Nomination and Remuneration Committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of independent directors and the Board;
3. Recommend to the Board of Directors all remuneration, in whatever form, payable to senior management;
4. Devising a policy on Board diversity;

5. 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 their appointment and removal;
6. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 or the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent each is applicable; or
  - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
7. Evaluating the performance of the independent directors and on the basis of their performance evaluation recommending the Board of Directors and the members of the Company to extend or continue the term of appointment of the independent director; and
8. Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

As required under the SEBI Listing Regulations, the Nomination and Remuneration Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the shareholders. The quorum for each meeting of the said 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 presence.

***d. Corporate Social Responsibility Committee***

Our Corporate Social Responsibility Committee was constituted on March 08, 2019 with the following members forming a part of the said Committee:

<b>Sr. No.</b>	<b>Name of Member</b>	<b>Designation</b>
1.	Ashok Ruplal Kavdia	Chairman
2.	Sumer Raj Lodha	Member
3.	Nirmala Lodha	Member

The Corporate Social Responsibility Committee is in compliance with Section 135 of the Companies Act 2013. The Company Secretary shall act as the secretary of the Corporate Social Responsibility Committee.

The terms of reference of the Corporate Social Responsibility Committee include the following:

1. To formulate and recommend to the Board, a CSR policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013;
2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
3. To monitor the CSR policy of the Company from time to time;
4. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

The quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.

***e. IPO Committee***

Our IPO Committee was constituted pursuant to resolution of our Board of Directors dated April 20, 2021. The members of the said Committee are as follows

<b>Sr. No.</b>	<b>Name of Member</b>	<b>Designation</b>
1.	Sumer Raj Lodha	Chairman
2.	Nirmala Lodha	Member
3.	Abhishek Sumerraj Lodha	Member
4.	Ashok Ruplal Kavdia	Member
5.	Pradeep Randhimal Lodha	Member

The Company Secretary shall act as the secretary of the IPO Committee.

The terms of reference of the IPO Committee include the following:

1. Approving amendments to the memorandum of association and the articles of association of the Company;
2. Approving all actions required to dematerialize the Equity Shares, including seeking the admission of the Equity Shares into the Central Depository Services (India) Limited (the “**CDSL**”) and the National Securities Depository Limited (the “**NSDL**”);
3. Finalizing and arranging for the submission of the DRHP, the RHP, the Prospectus and any amendments, supplements, notices or corrigenda thereto, to appropriate government and regulatory authorities, institutions or bodies;
4. Approving a code of conduct as may be considered necessary by the Board or the IPO Committee or as required under Applicable Laws for the Board, officers of the Company and other employees of the Company;
5. Issuing advertisements as it may deem fit and proper in accordance with Applicable Laws;
6. Approving suitable policies, including on insider trading, whistle blower/vigil mechanism, risk management and other corporate governance requirement that may be considered necessary by the Board or the IPO Committee or as may be required under Applicable Laws in connection with the Offering;
7. Deciding on the size and all other terms and conditions of the Offering and/or the number of Equity Shares to be offered in the Offering, including any Pre-IPO Placement, Reservation, Green Shoe Option and any rounding off in the event of any oversubscription as permitted under Applicable Laws;
8. Taking all actions as may be necessary or authorized in connection with the Offering;
9. Appointing and instructing book running lead manager, syndicate members, placement agents, bankers to the Issue, the registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies and all such persons or agencies as may be involved in or concerned with the Issue and whose appointment is required in relation to the Issue, including any successors or replacements thereof;
10. Opening bank accounts, share/securities accounts, escrow or custodian accounts, in India or abroad, in Rupees or in any other currency, in accordance with Applicable Laws;
11. Entering into agreements with, and remunerating all such book running lead manager, syndicate members, placement agents, bankers to the Issue, the registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all other agencies or persons as may be involved in or concerned with the Issue, including any successors or replacements thereof, by way of commission, brokerage, fees or the like;



12. Seeking the listing of the Equity Shares on the Stock Exchanges, submitting listing application to the Stock Exchange and taking all such actions as may be necessary in connection with obtaining such listing, including, without limitation, entering into the listing agreement with the Stock Exchanges;
13. Seeking, if required, the consent of the Company's lenders and lenders of its subsidiaries, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Issue;
14. Submitting undertaking/certificates or providing clarifications to the SEBI and the Stock Exchanges;
15. Determining the price at which the Equity Shares are issued to investors in the Issue in accordance with Applicable Laws, in consultation with the book running lead manager and/or any other advisors, and determining the discount, if any, proposed to be issued to eligible categories of investors;
16. Determining the price band and minimum lot size for the purpose of bidding, any revision to the price band and the final Issue price after bid closure;
17. Determining the bid opening and closing dates;
18. Finalizing the basis of allocation of Equity Shares to retail investors/non-institutional investors/qualified institutional buyers and any other investor in consultation with the book running lead manager, the Stock Exchanges and/or any other entity;
19. Opening with the bankers to the Issue, escrow collection banks and other entities such accounts as are required under Applicable Laws;
20. To issue receipts/allotment letters/confirmations of allotment notes either in physical or electronic mode representing the underlying equity shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforesaid documents;
21. Severally authorizing Authorized Officers, for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officers consider necessary, desirable or expedient, in connection with the Issue, including, without limitation, engagement letters, memoranda of understanding, the listing agreement with the stock exchange, the registrar's agreement, the depositories' agreements, the issue agreement with the book running lead manager (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the escrow agreement, confirmation of allocation notes, the advertisement agency agreement and any undertakings and declarations, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Issue, the book running lead manager, syndicate members, placement agents, bankers to the Issue, registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all such persons or agencies as may be involved in or concerned with the Issue including any successors or replacements thereof; and any such agreements or documents so executed and delivered and acts, deeds, matters and things done by any such Authorized Officers shall be conclusive evidence of the authority of the Authorized Officers and the Company in so doing;
22. Severally authorizing the Authorized Officers to take any and all action in connection with making applications, seeking clarifications and obtaining approvals (or entering into any arrangement or agreement in respect thereof) in connection with the Issue, including, without limitation, applications to, and clarifications or approvals from the GoI, the RBI, the SEBI, the RoC, and the Stock Exchanges and that any such action already taken or to be taken is hereby ratified, confirmed and/or approved as the act and deed of the Authorized Officers and the Company, as the case may be;

23. Severally authorizing the Sumer Raj Lodha, Nirmala Lodha, Abhishek Sumerraj Lodha (the “**Authorized Officers**”), for and on behalf of the Company, to execute and deliver any and all documents, papers or instruments and to do or cause to be done any and all acts, deeds, matters or things as any such Authorized Officers may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Issue; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officers shall be conclusive evidence of the authority of such Authorized Officers and the Company in so doing and any such document so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officers prior to the date hereof are hereby ratified, confirmed and approved as the act and deed of the Authorized Officers and the Company, as the case may be; and
24. Executing and delivering any and all documents, papers or instruments and doing or causing to be done any and all acts, deeds, matters or things as the IPO Committee may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Issue; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing.

### **Our Key Managerial Personnel**

In addition to our Managing Director and Whole-time Director, whose details have been provided under paragraph above titled ‘*Brief Profile of our Directors*’, set forth below are the details of our Key Managerial Personnel as on the date of filing of this Draft Red Herring Prospectus:

**Ashish Bhandari**, aged 41 years, is the Chief Financial Officer of our Company. He holds a bachelor’s degree in commerce from Jai Narain Vyas University. He was initially appointed as manager (finance and accounts) in our Company and was designated as our chief financial officer with effect from September 20, 2018. He has received ₹ 10.44 lacs as remuneration for the Fiscal 2021.

**Parth Bharkumar Kamdar**, aged 30 years, is the Company Secretary and Compliance Officer of our Company. He holds a bachelor’s degree in commerce from Gujarat University. He is an associate member of the Institute of Company Secretaries of India and has in the past served in Globe Ecologistics Private Limited as a Company Secretary. He is responsible for handling secretarial matters of our Company and was appointed with effect from July 11, 2019. He has received ₹ 4.31 lacs as remuneration during the Fiscal 2021.

All our Key Managerial Personnel are permanent employees of our Company.

### **Relationship of Key Managerial Personnel with our Directors, Promoters and / or other Key Managerial Personnel**

Except as disclosed under the heading “*Relationship between our Directors*” and herein below, none of the key managerial personnel are related to each other or to our Promoters or to any of our Directors.

### **Shareholding of the Key Managerial Personnel**

In addition to the shareholding of our Executive Directors disclosed under the head “*Shareholding of Directors of our Company*”, the details of the shareholding of our Key Managerial Personnel is provided below:

Sr. No.	Name of Director	Number of Equity Shares	% of the pre-Issue Equity Share Capital
1.	Ashish Bhandari	8,000	0.05

### **Bonus or Profit Sharing Plan for our Key Managerial Personnel**

None of our Key Managerial Personnel is a party to any bonus or profit sharing plan.

### **Payment or benefit to Key Managerial Personnel of our Company**

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Key Managerial Personnel except the normal remuneration for services rendered by them. Additionally, there is no contingent or deferred compensation payable to any of our Key Managerial Personnel.

### **Interest of Key Managerial Personnel**

Except as disclosed in this Draft Red Herring Prospectus, none of our Key Managerial Personnel's have any interest in our Company other than to the extent of the remuneration, equity shares held by them or benefits to which they are entitled to our Company as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel have been appointed.

### **Changes in Key Managerial Personnel in the Last Three Years**

Set forth below, are the changes in our Key Managerial Personnel in the last three years immediately preceding the date of filing of this Draft Red Herring Prospectus:

<b>Name</b>	<b>Designation</b>	<b>Date of change</b>	<b>Reason</b>
Dhavalkumar Dineshbhai Patel	Company Secretary	May 18, 2019	Cessation due to resignation
Parth Bharkat Kumar Kamdar	Company Secretary	July 11, 2019	Appointment

The attrition of the key management personnel is as per the industry standards.

### **Employees' Stock Option Plan**

As on date of this Draft Red Herring Prospectus, our Company does not have any employee stock option plan or purchase schemes for our employees.

### **Loans taken by Directors / Key Management Personnel**

Our Company has not granted any loans to the Directors and/or Key Management Personnel as on the date of this Draft Red Herring Prospectus.

## OUR PROMOTERS AND PROMOTER GROUP

The Board of Directors of our Company in their meeting dated April 20, 2021 have reclassified our Promoters and Sumer Raj Lodha, Nirmala Lodha and Abhishek Sumerraj Lodha have been designated as the Promoters of our Company under Regulation 2(1) (oo) of the SEBI (ICDR) Regulations. As on the date of this Draft Red Herring Prospectus, our Promoters hold, in aggregate of 1,23,37,503 Equity Shares, constituting 83.96% of our pre – Issue issued, subscribed and paid-up equity share capital of our Company. For details of the build-up of our Promoters' shareholding in our Company, see “*Capital Structure –Details of Build-up of our Promoters’ shareholding*” on page 82 of this Draft Red Herring Prospectus.

### Details of our Promoters

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#### SUMER RAJ LODHA



Sumer Raj Lodha, aged 63 years, is the Promoter and Managing Director of our Company.

For details of his educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled “*Our Management*” on page 179 of this Draft Red Herring Prospectus.

**Date of birth:** July 30, 1957

**Permanent account number:** AAJPL2966R

**Aadhar card number:** 8124 4446 1438

**Driving license number:** GJ18 20000011439

**Address:** C-3/42, Goyal Inter City, Opposite T V Tower, Drive in Road, Thaltej, Ahmedabad City, Ahmedabad – 380 054, Gujarat, India.

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#### NIRMALA LODHA



Nirmala Lodha, aged 57 years, is the Promoter and Executive Director of our Company.

For details of her educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled “*Our Management*” on page 179 of this Draft Red Herring Prospectus.

**Date of birth:** September 23, 1963

**Permanent account number:** AAJPL2957N

**Aadhar card number:** 3279 9167 4348

**Driving license number:** N.A.

**Address:** C-3/42, Goyal Inter City, Opposite T V Tower, Drive in Road, Thaltej, Ahmedabad City, Ahmedabad – 380 054, Gujarat, India.

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**ABHISHEK SUMERRAJ LODHA**

Abhishek Sumerraj Lodha, aged 34 years, is the Promoter and Whole-time Director of our Company.

For details of his educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled “*Our Management*” on page 179 of this Draft Red Herring Prospectus.

**Date of birth:** July 28, 1986

**Permanent account number:** ACPPL6980K

**Aadhar card number:** 7265 7620 6419

**Driving license number:** GJ01 20120000279

**Address:** C-3/42, Goyal Inter City, Opposite T V Tower, Drive in Road, Thaltej, Ahmedabad City, Ahmedabad – 380 054, Gujarat, India.

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**Other Ventures of our Promoters**

The ventures in which our Promoters are involved in are as follows:

**a) Sumer Raj Lodha**

Name of the Venture	Nature of Interest
Nirmi Flexipack Private Limited	Director and shareholder holding 10% of the equity share capital
Sumer Raj Lodha and Sons (HUF)	Karta

**b) Nirmala Lodha**

Name of the Venture	Nature of Interest
Nirmi Flexipack Private Limited	Director and shareholder holding 90% of the equity share capital
Sumer Raj Lodha and Sons (HUF)	Member

**c) Abhishek Sumerraj Lodha**

Name of the Venture	Nature of Interest
Abhishek Lodha and Sons (HUF)	Karta
Sumer Raj Lodha and Sons (HUF)	Member

Our Company confirms that the permanent account number, bank account number and passport number of our Promoters shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

**Change in Control of our Company**

Our Promoters are the original promoters of our Company and the control of our Company has not been acquired during five years immediately preceding this Draft Red Herring 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 to the chapter titled “*Our Management*” beginning on page 179 of this Draft Red Herring Prospectus.

### **Interest of our Promoter**

#### *Interest in promotion of our Company*

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding in our Company and the dividends payable, if any, and any other distributions in respect of their shareholding in our Company or the shareholding of their relatives in our Company. For details of the shareholding and directorships of our Promoters in our Company, please refer to the chapter titled “*Capital Structure*”, “*Our Management*” and “*Related Party Transactions*” beginning on page 76, 179 and 203, respectively of this Draft Red Herring Prospectus.

#### *Interest of Promoters in our Company other than as a Promoter*

Our Promoters, Sumer Raj Lodha is the Managing Director, Abhishek Sumerraj Lodha is the Whole-time Director and Nirmala Lodha is an Executive Director of our Company therefore, may deemed to be considered interested to the extent of any remuneration which shall be payable to them in such capacity. Our Promoters, Sumer Raj Lodha and Nirmala Lodha have mortgaged their personal properties for the purpose of the secured loans availed by our Company. For details of the properties and the loan availed by our Company, please refer to the chapter titled “*Financial Indebtedness*” at page 268 of this Draft Red Herring Prospectus.

Except as stated in this section and the section titled “*Our Management*” and “*Related Party Transactions*” on pages 179 and 203, respectively, our Promoters do not have any interest in our Company other than as a Promoter.

#### *Interest in the properties of our Company*

Our Promoter, Managing Director, Sumer Raj Lodha and Executive Director, Nirmala Lodha receive monthly rent for the property which has been leased by them to our Company For further details please refer to the heading “*Land and Property*” in the chapter titled “*Our Business*” at page 161 of this Draft Red Herring Prospectus.

Except as disclosed in the section titled “*Financial Information*” and the chapter titled “*Related Party Transaction*” on pages 205 and 203 our Promoters are not interested in the properties acquired by our Company in the three years preceding the date of filing of this Draft Red Herring Prospectus with SEBI or proposed to be acquired by our Company, or in any transaction by our Company for the acquisition of land, construction of building or supply of machinery.

### **Other Interest and Disclosures**

Except as stated in this section and the section titled “*Our Management*”, “*Related Party Transactions*” and “*Financial Information*” on pages 179, 203 and 205, respectively, our Promoters do not have any interest in our Company other than as a Promoter.

Our Promoters are not interested in any transaction in acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

### **Payment or benefits to our Promoters and Promoter Group during the last two years**

Shradha Abhishek Lodha, who is the wife of our Promoter, Abhishek Sumerraj Lodha is an employee of our Company and receives remuneration in the said capacity. For details of the amount of benefits received during the preceding two years by members of our Promoter Group, please refer to the chapter titled “*Related Party Transactions*” on page 203 of this Draft Red Herring Prospectus. For further details, please refer to the chapters titled “*Our Business – Land and Property*” and “*Related Party Transactions*” at pages 161 and 203 of this Draft Red Herring Prospectus.

Except as stated in this chapter and the benefits mentioned in the related party transactions as per AS-18 there has been no payment of any amount of benefits to our Promoters or the members of our Promoter Group during the last two years from the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter group as on the date of this Draft Red Herring Prospectus. For further details, please refer to the chapter titled “*Related Party Transactions*” on page 203 of this Draft Red Herring Prospectus.

### **Litigations involving our Promoters**

For details of legal and regulatory proceedings involving our Promoter, see “*Outstanding Litigation and Material Development*” in page 272.

### **Guarantees**

Except as mentioned in chapter titled “*Financial Indebtedness*” on page 268 of this Draft Red Herring Prospectus, our Promoters have not given any guarantees to third parties in respect of our Company and the Equity Shares that are outstanding as of the date of filing of this Draft Red Herring Prospectus.

### **Details of Companies / Firms from which our Promoters has disassociated in the last three years**

Our Promoters have not disassociated themselves from any company/firm during the three years preceding this Draft Red Herring Prospectus.

### **A. OUR PROMOTER GROUP**

In addition to our Promoter, the following individuals and entities form part of our Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations:

#### ***Individuals forming part of the Promoter Group:***

<b>Name of the Promoter</b>	<b>Name of the member of Promoter Group</b>	<b>Relationship with the Promoter</b>
Sumer Raj Lodha	Sudhraj Lodha	Father
	Late Urmila Lodha	Mother
	Nirmala Lodha	Spouse
	Suparas Raj Lodha	Brother
	Shripal Raj Lodha	Brother
	Jitendra Raj Lodha	Brother
	Virendra Raj Lodha	Brother
	-	Sister
	Abhishek Sumerraj Lodha	Son
	Swati Kumbhat	Daughter
	Late Surajmal Bhansali	Spouse’s father
	Samda Bain	Spouse’s mother
	Ganpat Bhansali	Spouse’s brother
	Lila Devi Bothra	Spouse’s sister
	Nirmala Lodha	Late Surajmal Bhansali
Samda Bain		Mother
Sumer Raj Lodha		Spouse
Ganpat Bhansali		Brother
Lila Devi Bothra		Sister
Abhishek Sumerraj Lodha		Son
Swati Kumbhat		Daughter
Sudh Raj Lodha		Spouse’s father
Late Urmila Lodha		Spouse’s mother
Suparas Lodha		Spouse’s brother
Shripal Lodha		Spouse’s brother
Jitendra Raj Lodha		Spouse’s brother
Virendra Lodha		Spouse’s brother

Name of the Promoter	Name of the member of Promoter Group	Relationship with the Promoter
	-	Spouse's sister
Abhishek Sumerraj Lodha	Sumer Raj Lodha	Father
	Nirmala Lodha	Mother
	Shradha Abhishek Lodha	Spouse
	-	Brother
	Swati Kumbhat	Sister
	-	Son
	Hitanshi Lodha	Daughter
	Dalpat Daga	Spouse's father
	Rekha Daga	Spouse's mother
	Shreekul Daga	Spouse's brother
	Shree Daga	Spouse's sister

**Entities forming part of the Promoter Group:**

Except as stated below, no other company, firm or HUF are forming part of the promoter group:

Sr. No.	Name of the entity
1.	Nirmi Flexipack Private Limited
2.	Shri Uma Plastic Industries Private Limited
3.	Sumer Raj Lodha and Sons (HUF)
4.	Abhishek Lodha and Sons (HUF)
5.	M/s. Alembic Plastopack
6.	Alembic Metals Private Limited
7.	Uma Polymers Limited
8.	Umax Packaging Private Limited
9.	Secure Real Estate and Energy Private Limited
10.	VSL Developers LLP
11.	Shirpal Raj Lodha and Sons (HUF)
12.	M/s. Bhansali Trading Company
13.	M/s. Uma Plastopacks
14.	Uma Shree Sewarth Trust
15.	Jitendra Raj Lodha (HUF)

**Other Confirmations**

None of our Promoters and members of the Promoter Group have been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Our Promoters have not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Promoters or Promoter Group entities have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoters and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoters.



## OUR GROUP COMPANY

In terms of the SEBI ICDR Regulations and the applicable accounting standards (Accounting Standard 18 and Indian Accounting Standard 24), for the purpose of identification of “group companies” in relation to the disclosure in Offer Documents, our Company has considered the companies with which there have been related party transactions in the last three years, as disclosed in the section titled “*Financial Information*” on page 205 of this Draft Red Herring Prospectus.

Pursuant to a resolution of our Board dated April 20, 2021, for the purpose of disclosure in the Offer Documents for the Issue, a company shall be considered material and disclosed as a ‘Group Company’ if (i) our Company has entered into one or more related party transactions with such company in the previous three fiscal years or (ii) any other company/entity which the Board may decide to consider material. Accordingly, pursuant to the said resolution passed by our Board of Directors and the materiality policy adopted, for determining our Group Companies, “*Shri Uma Plastic Industries Private Limited*” has been considered as the Group Company of our Company:

Set forth below are the details of our Group Company:

### **Shri Uma Plastic Industries Private Limited (“SUPIL”)**

#### *Corporate Information*

SUPIL was incorporated as a private limited company under the Companies Act, 1956, under the name, “*Shri Uma Plastic Industries Private Limited*” vide a certificate of incorporation dated March 01, 2005 issued by the Registrar of Companies, Rajasthan at Jaipur. The Corporate Identification Number of SUPIL is U25209RJ2005PTC020355. The registered office of SUPIL is situated at 1<sup>st</sup> ‘A’ road, Sardarpura, Jodhpur – 342 001, Rajasthan, India.

#### *Nature of Activities*

The main objects of SUPIL as per its MOA are *inter alia* manufacturing, processing, designing, buying, selling, importing and exporting of all kinds of corrugated boxes and sheets, paper packaging, multi laminated flexible and rigid packaging, etc.

#### *Interest of our Promoters*

Our Promoters are not interested in our Group Company.

#### *Financial Information*

Set forth below is the financial information of SUPIL based on its audited financial statements for the last three fiscal years:

<b>Particulars</b>	<i>(₹ in lakhs, except for per share data)</i>		
	<b>March 31, 2020*</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Issued and paid-up Equity Share Capital	174.00	174.00	145.00
Reserves and Surplus (excluding revaluation reserves)	0.84	(8.79)	14.93
Sales/ Turnover	1,659.42	1,312.54	1,351.15
Profit / (Loss) after Tax	9.63	(23.72)	8.44
Basic and Diluted EPS per share	0.55	(1.49)	0.58
Net Asset Value per equity share	10.05	9.49	11.03

\*The financial statements for the year ended March 31, 2021 have not been audited yet.

#### *Significant notes of the auditors of SUPIL for the last three Financial Years*

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three years.

#### *Group Companies with negative Net Worth*

Our Group Company does not have a negative net worth.

### ***Loss making Group Companies***

Our Group Company has incurred losses, details of which are provided below:

<b>Particulars</b>	<b>(₹ in lakhs)</b>
Profit/ (Loss) after Tax	<b>March 31, 2019</b> (23.72)

### ***Nature and extent of Interest of Group Companies***

#### ***In the promotion of our Company***

Our Group Company does not have any interest in the promotion of our Company.

#### ***In the business of our Company***

Except as stated in “*Restated Financial Information- Annexure - V: Significant Accounting Policies and Explanatory Notes to the Restated Financial Statements- Note 42- Related Party Disclosures*” at page 205 of the Draft Red Herring Prospectus our Group Company does not have any business interests in our Company.

#### ***In the properties acquired or proposed to be acquired by our Company in the past two years before filing this Draft Red Herring Prospectus.***

Our Group Company is not interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus.

#### ***In transactions for acquisition of land, construction of building and supply of machinery***

Our Group Company is not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

### **Common Pursuits**

Our Company has objects similar to or is carrying out business activities similar to our Group Company. Common pursuits between our Group Company and our Company could be a potential source of conflict. Our Company shall adopt necessary measures and practices as permitted by law and regulatory guidelines to address any conflict situation as and when they arise. For further details, please refer to “*Risk Factor number 41 – Any conflict of interest which may occur between our business and any other similar business activities pursued by our Promoters, Promoter Group entity and our Group Company could have a material adverse effect on our business and results of operations*” on page 46 of this Draft Red Herring Prospectus.

### **Related business transactions within the Group Companies and significance on the financial performance of the Company**

Except as disclosed in “*Restated Financial Information- Annexure - V: Significant Accounting Policies and Explanatory Notes to the Restated Financial Statements- Note 42- Related Party Disclosures*” at page 205 of the Draft Red Herring Prospectus, there are no related business transactions of the Company with its Group Company.

### **Sale / Purchase between Group Companies**

Except as stated in “*Restated Financial Information- Annexure - V: Significant Accounting Policies and Explanatory Notes to the Restated Financial Statements- Note 42- Related Party Disclosures*” at page 205 of the Draft Red Herring Prospectus, our Group Company is not involved in any sales or purchase with our Company.

**Defunct / Sick Group Companies**

Our Group Company has neither been declared defunct nor has made any applications to the Registrar of Companies for striking off its names from the register of companies, during the five years preceding the date of filing of this Draft Red Herring Prospectus.

Further, our Group Company has not become a sick company under the erstwhile Sick Industrial Companies Act, 1985 or has become insolvent under the Insolvency and Bankruptcy Code, 2016 and no winding up proceedings have been initiated against it.

**Litigation**

For details relating to legal proceeding involving our Group Company, please see the section “*Outstanding Litigation and Material Development*” beginning on page 272 of this Draft Red Herring Prospectus.

**Other Confirmations**

Our Group Company has not been prohibited or debarred from accessing the capital markets for any reason by SEBI or any other regulatory or governmental authority.

Further, our Group Company has not been identified as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

Equity shares of our Group Company have not been listed on any stock exchanges and our Group Company has not made any public issues / rights issues under SEBI ICDR Regulations in the last three years.

## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions, during the last three Fiscals and the nine months period ended December 31, 2020, as per the requirements under the relevant accounting standards and as reported in the Restated Financial Information, see “*Restated Financial Information - Annexure - V: Significant Accounting Policies and Explanatory Notes to the Restated Financial Statements- Note 42- Related Party Disclosures*” on page 205 of this Draft Red Herring Prospectus.

## DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. As on the date of this Draft Red Herring Prospectus, our Company does not have a formal dividend policy.

Upon the listing of the Equity Shares of our Company and subject to the SEBI Listing Regulations, we may be required to formulate a dividend distribution policy which shall be required to include, among others, details of circumstances under which the shareholders may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend, policy as to how the retained earnings will be utilized and parameters that shall be adopted with regard to various classes of shares, as applicable.

Our Company has not declared any dividends during the last three Financial Years. Further, our Company has not declared any dividend in the current Fiscal. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future. For details in relation to the risk involved, see “*Risk Factor No. 59 – Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows*” on page 52 of this Draft Red Herring Prospectus.

**SECTION V – FINANCIAL INFORMATION**

**RESTATED FINANCIAL INFORMATION**

<b>S. No.</b>	<b>Details</b>	<b>Page Number</b>
1.	Restated Financial Information	206
2.	Other Financial Information	252
3.	Capitalization Statement	253

*(The remainder of this page is intentionally left blank)*

**INDEPENDENT AUDITOR'S EXAMINATION REPORT  
ON RESTATED FINANCIAL INFORMATION**

**The Board of Directors  
Uma Converter Limited  
(Formerly known as Uma Converter Pvt. Ltd.)**

Block No. 868, Village Santej,  
Sola-Santej Road, Tal. Kalol,  
Dist. Gandhinagar - 382721,  
Gujarat, India.

Dear Sirs,

1. We have examined, the attached Restated Financial Information of Uma Converter Limited (the “**Company**” or the “**Issuer**”) comprising the Restated Statement of Assets and Liabilities as at December 31, 2020, March 31, 2020, 2019 and 2018, the Restated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Statement of Changes in Equity, the Restated Statement of Cash Flows for the year ended March 31, 2020, 2019 and 2018 and for the period beginning from April 1, 2020 to December 31, 2020 and the summary statement of significant accounting policies, and other explanatory information (collectively, the “Restated Financial Information”), as approved by the Board of Directors of the Company at their meeting held on June 25, 2021 for the purpose of inclusion in the Draft Red Herring Prospectus (“**DRHP**”) prepared by the Company in connection with its proposed Initial Public Offer of equity shares (“**IPO**”) prepared in terms of the requirements of:
  - a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (“**the Act**”);
  - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time in pursuance of provision of Securities and Exchange Board of India Act, 1992 (“**ICDR Regulations**”); and
  - c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“**ICAI**”), as amended from time to time (the “**Guidance Note**”).
2. The Company’s Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India (“**SEBI**”) and the stock exchanges where the equity shares of the Company are proposed to be listed (“**Stock Exchanges**”) [i.e. National Stock Exchange (NSE) and Bombay Stock Stock Exchange (BSE)], in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 2 of Annexure V to the Restated Financial Information.

The Board of Directors of the company are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors of the company are also responsible for identifying and ensuring that the company complies with the Act, the ICDR Regulations and the Guidance Note.

3. We have examined such Restated Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated April 3, 2021 in connection with the proposed IPO of equity shares of the Company;
  - b) The Guidance Note - The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
  - d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO of equity shares of the Company.
  
4. These Restated Financial Information have been compiled by the management from:
  - a) Audited special purpose interim financial statements of the company as at and for the nine month period ended December 31, 2020 prepared in accordance with recognition and measurement principles under Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Interim Financial Statements") which have been approved by the Board of Directors at their meeting held on June 24, 2021; and
  - b) The Restated Financial Information also contains the proforma Ind AS financial information as at and for the year ended March 31, 2020, 2019 and 2018. The proforma Ind AS financial information have been prepared by making Ind AS adjustment to the audited Indian GAAP financial statements as at and for the year ended March 31, 2020, 2019 and 2018 which have been approved by the Board of Directors at their meeting held on June 24, 2021 as described in Note No. 2 of Annexure V to the Restated Financial Information.
  
5. For the purpose of our examination, we have relied on:
  - a) Auditors' reports issued by us dated June 24, 2021 and November 7, 2020 on the financial statements of the Company as at and for the nine months period ended December 31, 2020, and as at and for the year ended March 31, 2020 as referred in Paragraph 4 above; and
  - b) Auditors' Report issued by M/s Rajendra Jain & Co., dated May 10, 2019 and June 20, 2018 on the audited Indian GAAP financial statements of the Company as at and for the years ended March 31, 2019 and March 31, 2018 as referred in Paragraph 4 above. The audit for the financial year ended March 31, 2019 and March 31, 2018 were conducted by the company's previous auditors and accordingly reliance has been placed by us on the audited financial statements audited by them for the said years.
  
6. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:
  - a) have been prepared after incorporating adjustments for the change in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial years ended March 31, 2020, 2019 and 2018 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine months period ended December 31, 2020;



- b) have been prepared after incorporating proforma Ind AS adjustments to the audited Indian GAAP financial statements as at and for the years ended 31 March 2020, 2019 and 2018 as described in Note 41 to the Restated Financial Information;
  - c) does not contain any qualifications requiring adjustments. However, those qualifications in the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Financial Information; and
  - d) have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.
7. 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 Interim Ind AS Financial Statements and audited financial statements mentioned in paragraph 4 above.
8. 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 and other auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
10. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with SEBI, NSE, BSE and Registrar of Companies in connection with the proposed IPO. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For BHANWAR JAIN & CO.,**  
**Chartered Accountants**  
**Firm Registration No.: 117340W**

**(B. M. Jain)**  
**Partner**  
**Membership No: 034943**  
**Place: Ahmedabad**  
**Date: 25<sup>th</sup> June, 2021**  
**UDIN: 21034943AAAADS4197**

ANNEXURE – I: RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lakhs)

Particulars	Note No.	As At			
		31.12.2020	31.03.2020	31.03.2019	31.03.2018
<b>A. Assets</b>					
<b>1 Non-Current Assets</b>					
(a) Property, Plant & Equipment	4	6,041.06	5,375.12	2,547.42	2,675.70
(b) Capital Work-In-Progress	5	218.50	652.28	1,213.88	574.21
(c) Financial Assets					
(i) Investments	6	23.85	23.83	15.16	15.16
(ii) Other Financial Assets	7	134.50	126.74	135.16	96.42
(c) Other Non Current Assets	8	325.15	176.32	181.53	15.86
<b>Total Non- Current Assets</b>		<b>6,743.06</b>	<b>6,354.30</b>	<b>4,093.15</b>	<b>3,377.36</b>
<b>2 Current Assets</b>					
(a) Inventories	9	4,055.42	3,147.34	2,640.44	2,344.23
(b) Financial Assets					
(i) Trade Receivables	10	2,410.21	1,425.67	1,705.76	1,831.95
(ii) Cash and cash equivalents	11	44.82	34.60	12.89	58.08
(iii) Bank balances other than cash and cash equivalents	12	-	50.00	54.36	-
(iv) Other financial assets	13	7.02	8.38	3.18	6.63
(c) Other Current Assets	14	393.25	283.95	111.52	204.41
<b>Total Current Assets</b>		<b>6,910.72</b>	<b>4,949.94</b>	<b>4,528.13</b>	<b>4,445.30</b>
<b>Total Assets</b>		<b>13,653.79</b>	<b>11,304.24</b>	<b>8,621.29</b>	<b>7,822.66</b>
<b>B. Equity and Liabilities</b>					
<b>1 Shareholders' Funds</b>					
(a) Equity Share Capital	15	1,469.43	1,469.43	648.00	405.00
(b) Other Equity	16	2,826.46	2,402.88	2,516.60	2,332.09
<b>Total Shareholders' Funds</b>		<b>4,295.89</b>	<b>3,872.31</b>	<b>3,164.60</b>	<b>2,737.09</b>
<b>2 Non-Current Liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	17	3,405.71	2,924.17	740.18	959.79
(b) Provisions	18	29.93	23.46	19.65	18.54
(c) Deferred Tax Liabilities (Net)	19	237.43	209.20	176.44	200.52
<b>Total Non-Current Liabilities</b>		<b>3,673.07</b>	<b>3,156.83</b>	<b>936.27</b>	<b>1,178.85</b>
<b>3 Current Liabilities</b>					
(a) Financial liabilities					
(i) Borrowings	20	3,036.55	2,324.05	2,864.99	2,377.20
(ii) Trade payables	21				
-total outstanding dues of micro enterprises and small enterprises		2.27	2.23	3.34	2.74
-total outstanding dues of creditors other than micro enterprises and small enterprises		2,045.59	1,662.99	1,186.79	995.70
(iii) Other financial liabilities	22	523.01	248.34	387.58	456.63
(b) Other current liabilities	23	45.09	35.22	65.89	19.47
(c) Provisions	24	2.54	2.27	0.92	1.44
(c) Current tax liabilities (net)	25	29.77	0.00	10.92	53.53
<b>Total Current Liabilities</b>		<b>5,684.82</b>	<b>4,275.10</b>	<b>4,520.42</b>	<b>3,906.71</b>
<b>Total Equity &amp; Liabilities</b>		<b>13,653.79</b>	<b>11,304.24</b>	<b>8,621.29</b>	<b>7,822.66</b>

See accompanying notes under Annexure V forming integral part of the restated financial information.

As per our report of even date.

**FOR BHANWAR JAIN & CO.**  
Chartered Accountants  
ICAI FRN 117340W

For and on behalf of the board of directors

(B.M. JAIN)  
Partner  
MEM. NO. 34943  
PLACE : AHMEDABAD  
DATED : 25th June,2021

(SUMER RAJ LODHA)  
MANAGING DIRECTOR  
(DIN: 00033283)

(ABHISHEK LODHA)  
DIRECTOR  
(DIN:07106811)

UMA CONVERTER LIMITED (Formerly known as Uma Converter Private Limited)

CIN: U25111GJ1999PLC036163

ANNEXURE – II: RESTATED STATEMENT OF PROFIT AND LOSS

(Rs. in Lakhs)

Particulars	Note No.	For the year/period ended			
		31.12.2020	31.03.2020	31.03.2019	31.03.2018
<b>I Revenue:</b>					
Revenue from operations (net)	26	11,782.98	10,359.10	10,442.93	9,017.20
Other income	27	24.57	39.35	37.57	80.77
<b>Total revenue</b>		<b>11,807.55</b>	<b>10,398.45</b>	<b>10,480.50</b>	<b>9,097.97</b>
<b>II Expenses:</b>					
Cost of material Consumed	28	7,877.55	7,154.32	7,462.66	6,078.47
Purchase of stock-in-trade		515.06	530.32	355.38	527.50
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	133.45	(421.73)	(268.24)	(201.67)
Manufacturing expenses	30	1,279.19	1,191.58	1,009.24	989.23
Employee benefit expenses	31	505.07	601.44	548.75	506.31
Finance costs	32	392.12	370.81	306.19	262.46
Depreciation and amortization expense	4	324.27	332.20	258.28	258.61
Other expenses	33	257.41	261.93	244.98	162.50
<b>Total Expenses</b>		<b>11,284.12</b>	<b>10,020.86</b>	<b>9,917.25</b>	<b>8,583.40</b>
<b>III Profit/(loss) before exceptional items &amp; tax (I-II)</b>		<b>523.43</b>	<b>377.58</b>	<b>563.25</b>	<b>514.57</b>
<b>IV Exceptional Items</b>		-	-	-	-
<b>V Profit/(loss) before tax (III-IV)</b>		<b>523.43</b>	<b>377.58</b>	<b>563.25</b>	<b>514.57</b>
<b>VI Tax Expense :</b>	35				
(i) Current tax		87.37	70.51	157.66	104.91
(ii) MAT Credit Entitlement		(17.89)	-	4.78	(4.78)
(iii) Deferred Tax		28.83	32.80	(24.81)	(1.52)
<b>Total Tax Expense</b>		<b>98.30</b>	<b>103.32</b>	<b>137.63</b>	<b>98.62</b>
<b>VII Profit/(loss) For the year (V-VI)</b>		<b>425.12</b>	<b>274.26</b>	<b>425.62</b>	<b>415.95</b>
<b>VIII Other Comprehensive Income</b>					
(a) Items that will not be reclassified to profit or loss					
(i) Gain/(Loss) on Remeasurement of Defined Benefit Plans		(2.14)	(0.16)	2.61	(6.29)
(ii) Income tax relating to above items		0.60	0.05	(0.73)	2.08
<b>IX Other Comprehensive Income for the period/year</b>		<b>(1.54)</b>	<b>(0.12)</b>	<b>1.88</b>	<b>(4.21)</b>
<b>X Total Comprehensive Income for the year (VII+IX)</b>		<b>423.58</b>	<b>274.14</b>	<b>427.50</b>	<b>411.74</b>
<b>XI Earning per equity share (in Rs.):</b>	43				
(1) Basic (Face Value of Rs. 10 each)		2.89	2.01	3.29	3.66
(2) Diluted (Face Value of Rs. 10 each)		2.89	2.01	3.29	3.66

See accompanying notes under Annexure V forming integral part of the restated financial information.

As per our report of even date.

**FOR BHANWAR JAIN & CO.**  
Chartered Accountants  
ICAI FRN 117340W

For and on behalf of the board of directors of

(B.M. JAIN)  
Partner  
MEM. NO. 34943  
PLACE : AHMEDABAD  
DATED : 25th June,2021

(SUMER RAJ LODHA)  
MANAGING DIRECTOR  
(DIN: 00033283)

(ABHISHEK LODHA)  
DIRECTOR  
(DIN:07106811)

**ANNEXURE - III: RESTATED STATEMENT OF CASH FLOWS**

(Rs. in Lakhs)

Particulars	For the year/period ended			
	31.12.2020	31.03.2020	31.03.2019	31.03.2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Profit before exceptional items and tax	523.43	377.58	563.25	514.57
Adjustments for:				
Depreciation and amortization expenses	324.27	332.20	258.28	258.61
Gratuity	4.34	3.65	3.72	0.54
Allowance/(Reversal) of Expected Credit Loss	20.09	(5.72)	(2.58)	5.00
Profit on Sale of Fixed Assets	-	-	(0.45)	(7.03)
Interest Paid	319.53	346.99	283.02	239.01
Interest Received	(15.24)	(16.40)	(19.92)	(12.22)
Dividend Received	-	-	(0.34)	-
<b>Operating Profit before working capital changes</b>	<b>1,176.41</b>	<b>1,038.30</b>	<b>1,084.98</b>	<b>998.48</b>
<b>Changes in working capital</b>				
<b>Adjustments for:</b>				
Inventories	(908.08)	(506.90)	(296.21)	(311.01)
Trade receivables	(1,004.63)	285.81	128.77	(249.98)
Other financial assets	1.36	(5.21)	3.46	13.96
Other current assets	(109.30)	(172.43)	92.89	(85.72)
Non-current financial assets	(7.76)	8.42	(38.74)	(46.30)
Non-current assets	(148.82)	5.20	(165.67)	16.78
Trade payables	382.64	475.10	191.69	283.68
Other current liabilities	9.87	(30.67)	46.42	(41.29)
Other financial liabilities	274.68	(139.25)	(69.05)	46.75
Provisions	0.27	1.35	(0.52)	1.44
<b>Cash generated from operations</b>	<b>(333.38)</b>	<b>959.72</b>	<b>978.02</b>	<b>626.77</b>
<b>Net Income tax paid</b>	<b>(39.71)</b>	<b>(81.43)</b>	<b>(205.05)</b>	<b>(49.81)</b>
<b>Net cash flows used in operating activities (A)</b>	<b>(373.08)</b>	<b>878.29</b>	<b>772.97</b>	<b>576.96</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of property, plant and equipment and intangible assets	(556.43)	(2,598.30)	(769.67)	(810.61)
Purchase of Investments	(0.02)	(8.67)	-	-
Proceeds from sale/ disposal of fixed assets	-	-	0.45	12.35
Net withdrawal/(Investment) in fixed deposits	50.00	4.36	(54.36)	-
Interest Received	15.24	16.40	19.92	12.22
Dividend Received	-	-	0.34	-
<b>Net cash flow from investing activities (B)</b>	<b>(491.21)</b>	<b>(2,586.22)</b>	<b>(803.31)</b>	<b>(786.04)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds from issuance of share capital	-	433.57	-	270.00
Proceeds from borrowings	1,194.04	1,643.05	268.17	117.08
Interest paid	(319.53)	(346.99)	(283.02)	(239.01)
<b>Net cash flow from financing activities (C)</b>	<b>874.51</b>	<b>1,729.64</b>	<b>(14.85)</b>	<b>148.07</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>10.22</b>	<b>21.71</b>	<b>(45.19)</b>	<b>(61.01)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>34.60</b>	<b>12.89</b>	<b>58.08</b>	<b>119.09</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>44.82</b>	<b>34.60</b>	<b>12.89</b>	<b>58.08</b>

a. Cash and cash equivalents in cash flow statement comprise of folowings:

(Rs. in Lakhs)

Particulars	For the year/period ended			
	31.12.2020	31.03.2020	31.03.2019	31.03.2018
Balance with Banks	30.21	19.96	9.00	22.36
Fixed Deposits with maturity less than 3 months	-	-	-	30.87
Cash on hand	14.61	14.64	3.89	4.85
	<b>44.82</b>	<b>34.60</b>	<b>12.89</b>	<b>58.08</b>

See accompanying notes under Annexure V forming integral part of the restated financial information.

As per our report of even date.

**FOR BHANWAR JAIN & CO.**

Chartered Accountants

ICAI FRN 117340W

For and on behalf of the board of directors of

(B.M. JAIN)

Partner

MEM. NO. 34943

PLACE : AHMEDABAD

DATED : 25th June,2021

(SUMER RAJ LODHA)

MANAGING DIRECTOR

(DIN: 00033283)

(ABHISHEK LODHA)

DIRECTOR

(DIN:07106811)

UMA CONVERTER LIMITED (Formerly known as Uma Converter Private Limited)

CIN: U25111GJ1999PLC036163

ANNEXURE - IV: RESTATED STATEMENT OF CHANGES IN EQUITY

(Rs. in Lakhs)

A. Equity Share Capital

	No. of Shares	Amount
As at April 1, 2017	35,50,000	355.00
Changes during the year	4,99,999	50.00
As at March 31, 2018	40,49,999	405.00
Changes during the year	24,29,999	243.00
As at March 31, 2019	64,79,998	648.00
Changes during the year	82,14,288	821.43
As at March 31, 2020	1,46,94,286	1,469.43
Changes during the period	-	-
As at December 31, 2020	1,46,94,286	1,469.43

B. OTHER EQUITY

(Rs. in Lakhs)

Particulars	Reserve and surplus					Total
	Securities Premium	Capital Subsidy	Revaluation Reserve	Retained earnings	Other Comprehensive Income	
<b>Balance as at March 31,2017</b>	145.00	10.00	504.22	896.54	-	1,555.75
Increase on issue of shares	220.00	-	-	-	-	220.00
Income tax of earlier years	-	-	-	1.38	-	1.38
Allowance for ECL of earlier year	-	-	-	(32.39)	-	(32.39)
Depreciation of earlier years written back on change of method	-	-	-	230.23	-	230.23
Deferred Tax on Depreciation of earlier year written back	-	-	-	(69.21)	-	(69.21)
Deferred tax on ECL & Gratuity provision of earlier years	-	-	-	14.58	-	14.58
Profit for the year	-	-	-	415.95	-	415.95
Other comprehensive income (Net of tax)	-	-	-	-	(4.21)	(4.21)
<b>Balance as at March 31,2018</b>	<b>365.00</b>	<b>10.00</b>	<b>504.22</b>	<b>1,457.08</b>	<b>(4.21)</b>	<b>2,332.09</b>
Decrease on issue of bonus shares	-	-	-	(243.00)	-	(243.00)
Profit for the year	-	-	-	425.62	-	425.62
Other comprehensive income (Net of tax)	-	-	-	-	1.88	1.88
<b>Balance as at March 31,2019</b>	<b>365.00</b>	<b>10.00</b>	<b>504.22</b>	<b>1,639.71</b>	<b>(2.32)</b>	<b>2,516.60</b>
Increase on issue of shares	260.14	-	-	-	-	260.14
Decrease on issue of bonus shares	-	-	-	(648.00)	-	(648.00)
Profit for the year	-	-	-	274.26	-	274.26
Other comprehensive income (Net of tax)	-	-	-	-	(0.12)	(0.12)
<b>Balance as at March 31,2020</b>	<b>625.14</b>	<b>10.00</b>	<b>504.22</b>	<b>1,265.97</b>	<b>(2.44)</b>	<b>2,402.88</b>
Profit for the year	-	-	-	425.12	-	425.12
Other comprehensive income (Net of tax)	-	-	-	-	(1.54)	(1.54)
<b>Balance as at 31 December 2020</b>	<b>625.14</b>	<b>10.00</b>	<b>504.22</b>	<b>1,691.09</b>	<b>(3.99)</b>	<b>2,826.46</b>

FOR BHANWAR JAIN & CO;  
Chartered Accountants  
ICAI FRN 117340W

For and on behalf of the board of directors of  
UMA CONVERTER PRIVATE LIMITED

(B.M. JAIN)  
Partner  
MEM. NO. 34943  
PLACE : AHMEDABAD  
DATED : 25th June,2021

(SUMER RAJ LODHA) (ABHISHEK LODHA)  
MANAGING DIRECTOR DIRECTOR  
(DIN: 00033283) (DIN:07106811)

## **UMA CONVERTER LIMITED (Formerly known as Uma Converter Private Limited)**

CIN: U25111GJ1999PLC036163

### **ANNEXURE - V: SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE RESTATED FINANCIAL STATEMENTS**

#### **1 Corporate Information**

Uma Converter Limited (Formerly known as Uma Converter Private Limited (the "Company")) is a public limited company domiciled in India and was incorporated on 18th June, 1999 under the provisions of the Companies Act, 1956 applicable in India. Its registered office is located at Block No. 868, Vill. Santej, Ta. Kalol, Dist. Gandhinagar (Gujarat). The Company is primarily engaged in the business of manufacturing and trading of flexible packaging materials.

Pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on 29th August, 2018 the Company has converted from a Private Limited Company to a Public Limited Company and consequently, name of the Company has changed to Uma Converter Limited pursuant to fresh certificate of incorporation issued by Registrar of Companies on 27th September, 2018.

The Restated Financial Statements of the company for the nine months ended December 31, 2020, and year ended March 31, 2020, March 31, 2019 and March 31, 2018 were approved for issue by the Board of Directors, in accordance with the incorporation issued by Registrar of Companies on 25th June, 2021.

#### **2 Significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of the Restated Financial Statements.

These policies have been consistently applied to all the years/period presented, unless otherwise stated.

##### **(a) Basis of Preparation of Restated Financial Statements**

##### **(i) Statement of Compliance with Ind AS**

The restated Ind AS financial information comprise of the restated Ind AS statement of assets and liabilities as at March 31, 2020 and December 31, 2020, the restated Ind AS statement of profit and loss (including Other Comprehensive income), the restated Ind AS statement of cash flows and the restated Ind AS statement of changes in equity for year ended March 31, 2020 and the nine month period ended December 31, 2020 and the statement of notes to the restated Ind AS financial information (hereinafter collectively referred to as "restated Ind AS financial information").

The restated financial information for the years ended March 31, 2020, 2019 and 2018 has been prepared on Proforma basis (i.e. "Proforma Ind AS financial information") in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/ CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and Guidance note on reports in company prospectuses issued by ICAI. For the purpose of Proforma Ind AS financial information for the year ended March 31, 2020, 2019 and 2018, the Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101).

The restated financial information have been compiled by the Company from the Audited Special Purpose Financial Statements of the Company for the nine months period ended December 31, 2020 prepared under Ind AS and for the years ended March 31, 2020, 2019 and 2018 financial statement prepared under the previous generally accepted accounting principles followed in India ('Previous GAAP or Indian GAAP') on which proforma IND AS adjustments following accounting policies choices (both mandatory exceptions and optional exemptions).

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of restated financial information under Accounting Standards notified under Previous GAAP to Ind AS of restated balance sheet as at March 31, 2020, March 31, 2019 and March 31, 2018 and of the restated Statement of profit and loss and other comprehensive income for the year ended March 31, 2020, March 31, 2019 and March 31, 2018. Refer note 41(B) in Annexure V for the reconciliation.

The restated Financial Information has been specifically prepared by the management for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India (“SEBI”) and National Stock Exchange of India Limited and BSE Limited, where the Equity Shares are proposed to be listed (the “Stock Exchanges”) in connection with the proposed Initial Public Offer (‘IPO’) of equity shares of the Company (referred to as the “Issue”), in accordance with the requirements of:

- Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the “Act”);
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”), as amended from time to time, in pursuance of provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”), as amended from time to time, in pursuance of provisions of Securities and Exchange Board of India Act, 1992; and
- The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”). The financial statements were approved by the Company’s Board of Directors and authorised for issue on June 25, 2021.

**(ii) Basis of measurement**

The Restated Financial Statements have been prepared on a historical cost convention on accrual basis, except certain financial assets and liabilities measured at fair value.

**(iii) Current and non current classification**

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act.

**(b) Use of estimates**

The preparation of Restated Financial Statements in conformity with Ind AS requires the management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying Restated Financial Statements are based upon the management's evaluation of the relevant facts and circumstances as at the date of the Restated Financial Statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

**(c) Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress.

**Depreciation methods, estimated useful lives**

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are taken as prescribed useful lives under Schedule II to the Companies Act, 2013. The management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

**(d) Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**(e) Foreign Currency Transactions**

**(I) Functional and presentation currency**

Items included in the Restated Financial Statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Restated Financial Statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

**(II) Transactions and balances**

All foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.



**(f) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

**(I) Initial recognition and measurement**

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

**(II) Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

**(III) Impairment of financial assets**

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. the impairment methodology applied depends on whether there has been a significant increase in credit risk.

**(IV) Derecognition of financial assets**

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

**Financial liabilities**

**(I) Recognition and measurement**

Financial liabilities are classified as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate. The measurement of financial liabilities depends on their classification, as described below:

### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

### *Loans and borrowings*

Interest-bearing loans and borrowings are subsequently measured at amortized cost . Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized .

### (III) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

### (g) **Revenue Recognition**

**The company derives revenues primarily from sale of manufactured goods, traded goods and job work.**

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the companys activities as described below:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

#### **Sale of products:**

Revenue from sale of products is recognised when significant risks and rewards in respect of ownership of products are transferred to customers based on the terms of sale. Revenue from sales from products and services is based on the price specified in the sales contracts, net of all discounts, returns and goods & service tax at the time of sale.

### (h) **Taxes**

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

#### (a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities in accordance with the relevant prevailing tax laws. Tax expenses relating to the items in profit & loss account shall be treated as current tax as part of profit and loss and those relating to items in other comprehensive income shall be recognised as part of OCI.

- (b) **Deferred tax**  
Deferred income tax is recognised for all the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in Restated Financial Statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- (i) **Leases**  
Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease period except where another systematic basis is more representative of time pattern in which economic benefits from leased assets are consumed.
- (j) **Inventories**  
Valuation of Inventories and costs incurred in bringing each product to its present location and condition are accounted for as follows:  
Raw materials, finished goods, semi finished goods, trading goods and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding taxes those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Scrap and wastages are stated at net realisable value. In determining the cost, FIFO method is used.
- (k) **Impairment of non-financial assets**  
The carrying value of assets / cash generating units at the Balance Sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised for such excess amount.
- (l) **Provisions and contingent liabilities**  
Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.  
  
Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.
- (m) **Cash and cash equivalents**  
Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.  
For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

**(n) Employee Benefits**

**(I) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled.

**(II) Other long-term employee benefit obligations**

**(i) Defined contribution plan**

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

**(ii) Defined benefit plans**

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is provided at the end of each year.

**(o) Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year, if any. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

**(p) Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all the attached conditions. All government grants are initially recognised by way of setting up as deferred income. Government grants relating to income are recognised in the profit & loss account. Government grants relating to purchase of property, plant & equipment are subsequently recognised in profit & loss on a systematic basis over the expected life of the related depreciable assets. Grants recognised in Profit & Loss as above are presented within other income.

**3 Significant accounting judgments, estimates and assumptions**

The preparation of Restated Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Restated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) **Taxes**

Significant assumptions and judgements are involved in determining the provision for tax based on tax enactments, relevant judicial pronouncements including an estimation of the likely outcome of any open tax assessments/ litigations. Deferred income tax assets are recognised to the extent that it is probable that future taxable income will be available , based on estimates thereof.

(ii) **Defined benefit plans (gratuity benefits and leave encashment)**

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

4	Property , plant & Equipment							(Rs. In Lakhs)
	Particulars	Freehold Land	Building	Plant & Machinery	Furniture Fixtures	Office Equipments	Vehicles	
<b>Deemed Cost</b>								
As at April 01, 2017	519.65	444.57	2,997.34	56.85	52.27	118.26	4,188.94	
Additions	-	-	240.58	2.18	8.88	-	251.65	
Disposals	-	-	40.68	-	-	2.88	43.55	
<b>As at March 31, 2018</b>	<b>519.65</b>	<b>444.57</b>	<b>3,197.25</b>	<b>59.03</b>	<b>61.15</b>	<b>115.38</b>	<b>4,397.04</b>	
Additions	-	67.97	53.25	6.70	2.07	-	130.00	
Disposals	-	-	-	-	-	5.57	5.57	
<b>As at March 31, 2019</b>	<b>519.65</b>	<b>512.55</b>	<b>3,250.50</b>	<b>65.73</b>	<b>63.22</b>	<b>109.82</b>	<b>4,521.47</b>	
Additions	547.79	1,647.10	914.79	2.78	29.11	18.33	3,159.90	
Disposals	-	-	-	-	-	-	-	
<b>As at March 31, 2020</b>	<b>1,067.44</b>	<b>2,159.65</b>	<b>4,165.29</b>	<b>68.51</b>	<b>92.33</b>	<b>128.14</b>	<b>7,681.37</b>	
Additions	-	139.20	802.55	5.87	22.46	20.12	990.21	
Disposals	-	-	-	-	-	-	-	
<b>As at December 31, 2020</b>	<b>1,067.44</b>	<b>2,298.85</b>	<b>4,967.85</b>	<b>74.39</b>	<b>114.80</b>	<b>148.26</b>	<b>8,671.58</b>	
<b>Depreciation</b>								
As at April 01, 2017	-	113.93	1,483.88	36.96	41.31	55.11	1,731.20	
Charge for the year	-	13.85	226.72	2.84	4.34	10.86	258.61	
Depreciation written back on change of method	-	-	230.23	-	-	-	230.23	
Disposals/ Adjustment	-	-	36.12	-	-	2.11	38.24	
<b>As at March 31, 2018</b>	<b>-</b>	<b>127.78</b>	<b>1,444.24</b>	<b>39.80</b>	<b>45.66</b>	<b>63.86</b>	<b>1,721.34</b>	
Charge for the year	-	13.92	227.32	2.77	4.09	10.18	258.28	
Disposals/ Adjustment	-	-	-	-	-	5.57	5.57	
<b>As at March 31, 2019</b>	<b>-</b>	<b>141.70</b>	<b>1,671.56</b>	<b>42.57</b>	<b>49.75</b>	<b>68.47</b>	<b>1,974.05</b>	
Charge for the year	-	37.56	272.91	3.17	8.57	9.98	332.20	
Disposals/ Adjustment	-	-	-	-	-	-	-	
<b>As at March 31, 2020</b>	<b>-</b>	<b>179.26</b>	<b>1,944.47</b>	<b>45.74</b>	<b>58.33</b>	<b>78.46</b>	<b>2,306.25</b>	
Charge for the period	-	52.56	251.08	2.71	9.60	8.31	324.27	
Disposals/ Adjustment	-	-	-	-	-	-	-	
<b>As at December 31, 2020</b>	<b>-</b>	<b>231.82</b>	<b>2,195.55</b>	<b>48.44</b>	<b>67.93</b>	<b>86.77</b>	<b>2,630.51</b>	
<b>Net Carrying Value</b>								
As at March 31, 2018	519.65	316.79	1,753.01	19.23	15.49	51.52	2,675.70	
As at March 31, 2019	519.65	370.85	1,578.94	23.17	13.47	41.34	2,547.42	
As at March 31, 2020	1,067.44	1,980.40	2,220.82	22.77	34.01	49.69	5,375.12	
As at December 31, 2020	1,067.44	2,067.03	2,772.29	25.94	46.87	61.49	6,041.06	

UMA CONVERTER LIMITED (Formerly known as Uma Converter Private Limited)

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ANNEXURE - V: SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE RESTATED FINANCIAL STATEMENTS

(Rs. In Lakhs)

5	Capital work in progress	
	Particulars	Amount
	As at April 01, 2017	15.25
	Addition during the year	558.96
	Capitalisation during the year	
	<b>As at March 31, 2018</b>	<b>574.21</b>
	Addition	639.67
	Capitalisation during the year	
	<b>As at March 31, 2019</b>	<b>1,213.88</b>
	Addition	1,393.47
	Capitalisation during the year	1,955.07
	<b>As at March 31, 2020</b>	<b>652.28</b>
	Addition	472.43
	Capitalisation during the year	906.22
	<b>As at December 31, 2020</b>	<b>218.50</b>

(Rs. In Lakhs)

6	Non-Current Investments				
	Particulars	As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
	Investment in shares, measured at FVTPL (unquoted) 23852 ( March 31, 2020: 23832; March 31, 2019: 15162; March 31, 2018:15162) Shares of Cosmos Bank Ltd of Rs. 100/- each fully paid up	23.85	23.83	15.16	15.16
	<b>TOTAL</b>	<b>23.85</b>	<b>23.83</b>	<b>15.16</b>	<b>15.16</b>

(Rs. In Lakhs)

7	Other Non-current Financial assets				
	Particulars	As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
	Fixed deposit with maturity more than 12 months	134.50	126.74	135.16	96.42
	<b>TOTAL</b>	<b>134.50</b>	<b>126.74</b>	<b>135.16</b>	<b>96.42</b>

(Rs. In Lakhs)

8	Other Non-current assets				
	Particulars	As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
	(Unsecured and considered good)				
	Security Deposits	239.25	163.80	51.79	7.97
	Capital advances	85.89	12.52	129.73	7.89
	<b>TOTAL</b>	<b>325.15</b>	<b>176.32</b>	<b>181.53</b>	<b>15.86</b>

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**ANNEXURE - V: SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE RESTATED FINANCIAL STATEMENTS**

(Rs. In Lakhs)

<b>9</b>	<b>Inventories</b>				
	<b>Particulars</b>	<b>As at December 31, 2020</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	<b>Classification of Inventories</b>				
	Raw materials	1,736.65	886.03	897.89	948.18
	Work-in-progress	1,132.65	1,316.29	913.42	661.73
	Finished goods	345.75	295.29	279.06	260.13
	Wastage	4.43	4.70	2.06	4.45
	Consumables	215.65	188.41	140.98	129.51
	Cylinders	375.46	283.41	220.12	176.02
	Packing Materials	244.84	173.21	186.90	164.21
	<b>TOTAL</b>	<b>4,055.42</b>	<b>3,147.34</b>	<b>2,640.44</b>	<b>2,344.23</b>

(Rs. In Lakhs)

<b>10</b>	<b>Trade Receivables</b>				
	<b>Particulars</b>	<b>As at December 31, 2020</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	Unsecured - Considered good	2,410.21	1,425.67	1,705.76	1,831.95
	Unsecured- Considered Doubtful	49.19	29.10	34.81	37.39
		2,459.40	1,454.76	1,740.57	1,869.34
	Less: Allowance for expected credit loss	49.19	29.10	34.81	37.39
	<b>TOTAL</b>	<b>2,410.21</b>	<b>1,425.67</b>	<b>1,705.76</b>	<b>1,831.95</b>
	<b>The following table summarises the changes in impairment allowance measured using the expected credit loss model:</b>				
	At the beginning of the period /year	29.10	34.81	37.39	32.39
	Provision made during the period /year	20.09	-	-	5.00
	Utilised / reversed during the period/year	-	5.72	2.58	-
	<b>At the end of the period/ year</b>	<b>49.19</b>	<b>29.10</b>	<b>34.81</b>	<b>37.39</b>

(Rs. In Lakhs)

<b>11</b>	<b>Cash and Cash equivalents</b>				
	<b>Particulars</b>	<b>As at December 31, 2020</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	Balances with Banks - in current accounts	30.21	19.96	9.00	22.36
	Fixed Deposits- original maturity less than 3 months	-	-	-	30.87
	Cash in hand	14.61	14.64	3.89	4.85
	<b>TOTAL</b>	<b>44.82</b>	<b>34.60</b>	<b>12.89</b>	<b>58.08</b>



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**ANNEXURE - V: SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE RESTATED FINANCIAL STATEMENTS**

(Rs. In Lakhs)

<b>12</b>	<b>Bank balance other than Cash and Cash equivalents</b>				
	<b>Particulars</b>	<b>As at December 31, 2020</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	-	50.00	54.36	-
	<b>TOTAL</b>	-	<b>50.00</b>	<b>54.36</b>	-

(Rs. In Lakhs)

<b>13</b>	<b>Other current financial assets</b>				
	<b>Particulars</b>	<b>As at December 31, 2020</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	Accrued Income	7.02	8.38	3.18	6.63
	<b>TOTAL</b>	<b>7.02</b>	<b>8.38</b>	<b>3.18</b>	<b>6.63</b>

(Rs. In Lakhs)

<b>14</b>	<b>Other current assets</b>				
	<b>Particulars</b>	<b>As at December 31, 2020</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	Prepaid Expenses	48.21	34.12	13.23	17.58
	Security Deposits	-	0.99	0.66	18.99
	Advance to suppliers and employees	91.85	34.44	42.36	128.01
	Balance with Statutory Authorities	253.19	214.40	55.27	39.82
	<b>TOTAL</b>	<b>393.25</b>	<b>283.95</b>	<b>111.52</b>	<b>204.41</b>

(Rs. in Lakhs except no. of shares data)

15 Equity Share Capital									
Particulars		As at December 31, 2020		As at March 31, 2020		As at March 31, 2019		As at March 31, 2018	
(a) Authorized Share Capital Equity Shares of Rs. 10 each : 1,50,00,000 ( March 31, 2020: 1,50,00,000 ; March 31, 2019: 1,20,00,000 ; March 31, 2018 : 55,00,000)		1,500.00		1,500.00		1,200.00		550.00	
<b>TOTAL</b>		<b>1,500.00</b>		<b>1,500.00</b>		<b>1,200.00</b>		<b>550.00</b>	
(b) Issued , Subscribed and fully paid up share Equity Shares of Rs. 10 each : 1,46,94,286 ( March 31, 2020: 1,46,94,286 ; March 31, 2019: 64,79,998 ; March 31, 2018 : 40,49,999)		1,469.43		1,469.43		648.00		405.00	
<b>TOTAL</b>		<b>1,469.43</b>		<b>1,469.43</b>		<b>648.00</b>		<b>405.00</b>	
<b>(c) Reconciliation of shares outstanding at the beginning and at the end of the reporting period</b>									
Particulars	As at December 31, 2020		As at March 31, 2020		As at March 31, 2019		As at March 31, 2018		
	No of shares	Amount	No of shares	Amount	No of shares	Amount	No of shares	Amount	
<b>Equity Shares</b>									
Balance at the beginning of the period/ year	1,46,94,286	1,469.43	64,79,998	648.00	40,49,999	405.00	35,50,000	355.00	
Issue during the period/ year	-	-	82,14,288	821.43	24,29,999	243.00	4,99,999	50.00	
<b>Balance at the end of the period/ year</b>	<b>1,46,94,286</b>	<b>1,469.43</b>	<b>1,46,94,286</b>	<b>1,469.43</b>	<b>64,79,998</b>	<b>648.00</b>	<b>40,49,999</b>	<b>405.00</b>	
(d) The Company has issued bonus shares in the ratio of 6:10 on September 28, 2018 and in the ratio of 1:1 on April 24, 2019.									
(e) Rights, preferences and restrictions attached to shares The Company has only one class of equity shares having a par value of Re.10 per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding. However, no such preferential amounts exist currently.									
<b>(f) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>									
Name of share holder	As at December 31, 2020		As at March 31, 2020		As at March 31, 2019		As at March 31, 2018		
	No of shares	Amount	No of shares	Amount	No of shares	Amount	No of shares	Amount	
Sumer Raj Lodha	40,46,188	27.54%	40,44,188	27.52%	18,80,734	29.02%	11,75,459	29.02%	
Smt Nirmala Lodha	56,51,101	38.46%	56,45,101	38.42%	27,47,858	42.41%	17,17,411	42.41%	
Abhishek Lodha	26,40,214	17.97%	26,36,214	17.94%	12,30,067	18.98%	7,68,792	18.98%	
Shraddha Abhishek Lodha	7,60,000	5.17%	7,52,000	5.12%	3,76,000	5.80%	2,35,000	5.80%	

(Rs. In Lakhs)

16	Other Equity	As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
(a)	<b>Securities premium reserve</b> Balance at the beginning of the period/ year Add : Received during the year Balance at the end of the period/ year	625.14 - 625.14	365.00 260.14 625.14	365.00 - 365.00	145.00 220.00 365.00
(b)	<b>Capital Subsidy</b> Balance at the beginning of the period/ year Add : Received during the year Balance at the end of the period/ year	10.00 - 10.00	10.00 - 10.00	10.00 - 10.00	10.00 - 10.00
(c)	<b>Revaluation Reserve</b> Balance at the beginning of the period/ year Add : Received during the year Balance at the end of the period/ year	504.22 - 504.22	504.22 - 504.22	504.22 - 504.22	504.22 - 504.22
(d)	<b>Retained Earnings</b> Balance at the beginning of the period/ year Add: Net profit for the year Less: Allowance of ECL of earlier year Add: Deferred Tax on Allowance of ECL of earlier year Add: Deferred Tax on Gratuity Provision of earlier year Add: Depreciation of earlier years written back on change of method Less: Deferred Tax on Depreciation of earlier year written back Less: Income tax of earlier year Less: Utilized for issue of Bonus Shares during the year Balance at the end of the period/ year	1,265.97 425.12 - - - - - - - - 1,691.09	1,639.71 274.26 - - - - - - (648.00) 1,265.97	1,457.08 425.62 - - - - - - (243.00) 1,639.71	896.54 415.95 (32.39) 10.71 3.87 230.23 (69.21) 1.38 - 1,457.08
(e)	<b>Other Comprehensive Income</b> Balance at the beginning of the period/ year Re-measurement gain/(loss) on defined benefit plans (net of tax) Balance at the end of the period/ year	(2.44) (1.54) (3.99)	(2.32) (0.12) (2.44)	(4.21) 1.88 (2.32)	- (4.21) (4.21)
	<b>TOTAL</b>	<b>2,826.46</b>	<b>2,402.88</b>	<b>2,516.60</b>	<b>2,332.09</b>

(Rs. In Lakhs)

17	Non- Current Borrowings	As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
	Secured Term Loans from Banks and Financial Institutions	2,641.32	2,433.51	566.02	887.00
	Total (A)	<b>2,641.32</b>	<b>2,433.51</b>	<b>566.02</b>	<b>887.00</b>
	Unsecured Loans: From Directors & Relatives From Companies	483.67 210.00	419.93 -	100.43 -	- -
	Security Deposits	70.73	70.73	73.73	72.80
	Total (B)	<b>764.39</b>	<b>490.66</b>	<b>174.15</b>	<b>72.80</b>
	<b>TOTAL (A+B)</b>	<b>3,405.71</b>	<b>2,924.17</b>	<b>740.18</b>	<b>959.79</b>

**UMA CONVERTER LIMITED (Formerly known as Uma Converter Private Limited)**

CIN: U25111GJ1999PLC036163

**ANNEXURE - V: SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE RESTATED FINANCIAL STATEMENTS**

Nature of Securities and terms of repayment for Long Term Borrowings:

**Term Loans:**

A	Indian rupee Term loan of Rs.106.63 Lacs from Cosmos Bank, Ahmedabad carries interest @ 10% p.a. and subject to change as per bank norm's from time to time, change in base rate, and credit rating of the account. The term loan is repayable in 101 Monthly instalment, instalment is of Rs. 1.82 Lacs each commencing from Dec. 2014 . The term loan is secured by Equitable mortgage of industrial land situated at Block No. 868 and 871, Village Santej, Taluka Kalol, Dist. Gandhinagar, Gujrat, Equitable Mortgage of Office Building situated at A/36, Circle B Building, Judges Bungalow Road, S.G. Highway, Ahmedabad belonging to the promoter director and hypothecation of plant and machinery and other assets excluding vehicles financed by other banks/institution. Further, the loan has been guaranteed by the personal guarantee of the promoter directors of the company.
B	Indian rupee Term loan of Rs. 128.34 Lacs from Cosmos Bank, Ahmedabad carries interest @ 10% p.a. and subject to change as per bank norm's from time to time, change in base rate, and credit rating of the account. The term loan is repayable in 101 Monthly instalment, instalment is of Rs. 2.21 Lacs each commencing from Dec. 2014 . The term loan is secured by Equitable mortgage of industrial land situated at Block No. 868 and 871, Village Santej, Taluka Kalol, Dist. Gandhinagar, Gujrat, Equitable Mortgage of Office Building situated at A/36, Circle B Building, Judges Bungalow Road, S.G. Highway, Ahmedabad belonging to the promoter director and hypothecation of plant and machinery and other assets excluding vehicles financed by other banks/institution. Further, the loan has been guaranteed by the personal guarantee of the promoter directors of the company.
C	Indian rupee Term loan of Rs. 61.01 Lacs from Cosmos Bank, Ahmedabad carries interest @ 10% p.a. and subject to change as per bank norm's from time to time, change in base rate, and credit rating of the account. The term loan is repayable in 66 Monthly instalment, instalment is of Rs. 1.39 Lacs each, has a moratorium Period of six month and installment would commencing from July 2015 and The term loan is secured by Equitable mortgage of industrial land situated at Block No. 868 and 871, Village Santej, Taluka Kalol, Dist. Gandhinagar, Gujrat, Equitable Mortgage of Office Building situated at A/36, Circle B Building, Judges Bungalow Road, S.G. Highway, Ahmedabad belonging to the promoter director and hypothecation of plant and machinery and other assets excluding vehicles financed by other banks/institution. Further, the loan has been guaranteed by the personal guarantee of the promoter directors of the company.
D	Indian rupee Term loan of Rs. 231.70 Lacs from Cosmos Bank, Ahmedabad carries interest @ 10.30% p.a. and subject to change as per bank norm's from time to time, change in base rate, and credit rating of the account. The term loan is repayable in 44 Monthly instalment of Rs. 10.32 Lacs each, has a moratorium Period of six month and installment to commence from Jan. 2019 and The term loan is secured by Equitable mortgage of industrial land situated at Block No. 868 and 871, Village Santej, Taluka Kalol, Dist. Gandhinagar, Gujrat, Equitable Mortgage of Office Building situated at A/36, Circle B Building, Judges Bungalow Road, S.G. Highway, Ahmedabad belonging to the promoter director and hypothecation of plant and machinery and other assets excluding vehicles financed by other banks/institution. Further, the loan has been guaranteed by the personal guarantee of the promoter directors of the company.
E	Indian rupee Term loan of Rs. 112.42 Lacs from Cosmos Bank, Ahmedabad carrying interest @ 10.30% p.a. and subject to change as per bank norm's from time to time, change in base rate, and credit rating of the account. The term loan is repayable in 66 Monthly instalment, instalment is of Rs. 2.55 Lacs each, has a moratorium Period of six month and installment would commencing from Sep. 2015 and The term loan is secured by Equitable mortgage of industrial land situated at Block No. 868 and 871, Village Santej, Taluka Kalol, Dist. Gandhinagar, Gujrat, Equitable Mortgage of Office Building situated at A/36, Circle B Building, Judges Bungalow Road, S.G. Highway, Ahmedabad belonging to the promoter director and hypothecation of plant and machinery and other assets excluding vehicles financed by other banks/institution. Further, the loan has been guaranteed by the personal guarantee of the promoter directors of the company.
F	Indian rupee Term loan of Rs. 300.00 Lacs from Cosmos Bank, Ahmedabad carries interest @ 10.30% p.a. and subject to change as per bank norm's from time to time, change in base rate, and credit rating of the account. The term loan is repayable in 90 Monthly instalment, instalment is of Rs. 5.17 Lacs each, has a moratorium Period of six month and installment would commencing from April, 2019 and The term loan is secured by Equitable mortgage of industrial land situated at Block No. 868 and 871, Village Santej, Taluka Kalol, Dist. Gandhinagar, Gujrat, Equitable Mortgage of Office Building situated at A/36, Circle B Building, Judges Bungalow Road, S.G. Highway, Ahmedabad belonging to the promoter director and hypothecation of plant and machinery and other assets excluding vehicles financed by other banks/institution. Further, the loan has been guaranteed by the personal guarantee of the promoter directors of the company.
G	Indian rupee Term loan of Rs. 320.00 Lacs from Cosmos Bank, Ahmedabad carries interest @ 10.30% p.a. and subject to change as per bank norm's from time to time, change in base rate, and credit rating of the account. The term loan is repayable in 90 Monthly instalment, instalment is of Rs. 5.27 Lacs each, has a moratorium Period of six month and installment would commencing from Dec, 2017 and The term loan is secured by Equitable mortgage of industrial land situated at Block No. 868 and 871, Village Santej, Taluka Kalol, Dist. Gandhinagar, Gujrat, Equitable Mortgage of Office Building situated at A/36, Circle B Building, Judges Bungalow Road, S.G. Highway, Ahmedabad belonging to the promoter director and hypothecation of plant and machinery and other assets excluding vehicles financed by other banks/institution. Further, the loan has been guaranteed by the personal guarantee of the promoter directors of the company.
H	Indian rupee Term loan of Rs. 38.17 Lacs from Cosmos Bank, Ahmedabad carrying interest @ 10.30% p.a. and subject to change as per bank norm's from time to time, change in base rate, and credit rating of the account. The term loan is repayable in 66 Monthly instalment, instalment is of Rs. 0.86 Lacs each, has a moratorium Period of six month and installment would commencing from Aug, 2015 and The term loan is secured by Equitable mortgage of industrial land situated at Block No. 868 and 871, Village Santej, Taluka Kalol, Dist. Gandhinagar, Gujrat, Equitable Mortgage of Office Building situated at A/36, Circle B Building, Judges Bungalow Road, S.G. Highway, Ahmedabad belonging to the promoter director and hypothecation of plant and machinery and other assets excluding vehicles financed by other banks/institution. Further, the loan has been guaranteed by the personal guarantee of the promoter directors of the company.
I	Indian rupee Term loan of Rs. 850 Lacs from Cosmos Bank, Ahmedabad carries interest @ 10.55% p.a. and subject to change as per bank norm's from time to time, change in base rate, and credit rating of the account. The term loan is repayable in 84 Monthly instalment of Rs. 14.35 Lacs each, has a moratorium Period of 12 month and installment to commence from DEC 2020 and The term loan is secured by Equitable mortgage of industrial land situated at 291,294,295,296, Old Block No 171/P,162,161,175, situated , lying and being at Mouje: Timba, Taluka , Daskroi District Ahmedabad , Gujrat, Equitable Mortgage of Plant & Machinery to be purchased/ imported .
J	Indian rupee Term loan of Rs.1350 Lacs from Axis Bank, Ahmedabad carrying interest @ 10 % p.a. and Foreign currency 6 month LIBOR + 400 bps, payable monthly (200 bps to be taken as arrangement fee out of 400) The Loan repayable in Period of 75 Monthly Installment of Rs.19.56 Lac each (27950 USD) has a moratorium of 15 Month and installment to commence from Mar 2020, The term loan is secured by mortgage of industrial land situated at 291,294,295,296, Old Block No 171/P,162,161,175, situated , lying and being at Mouje: Timba, Taluka , Daskroi District Ahmedabad , Gujrat, Equitable Mortgage of Plant & Machinery to be purchased/ imported .
K	Indian rupee Term loan of Rs.100.00 Lacs from Axis Bank, Ahmedabad carries interest @ 9.35% p.a. and subject to change as per bank norm's from time to time, change in base rate, and credit rating of the account. The term loan is repayable in 42 Monthly instalment, instalment is of Rs. 2.77 Lacs each, has a moratorium Period of six month and installment would commencing from Sep, 2017 and The term loan is secured by Pari passu first charge on machinery located at Block No. 868 and 871, Village Santej, Taluka Kalol, Dist. Gandhinagar, Gujrat Equitable Mortgage of Plant & Machinery to be purchased/ Imported
L	Indian rupee Secured loan of Rs. 9.90 Lacs from COSMOS BANK carries interest @ 8.25% P.A. with monthly rest . The secured loan is repayable in 36 equated monthly instalments of Rs. 0.31 Lacs for principle and interest . The directors have given hypothecation of Vehicle [MAHINDRA MARAZZO ] as security against the above loan.

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**ANNEXURE - V: SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE RESTATED FINANCIAL STATEMENTS**

M	Indian rupee Secured loan of Rs. 6.93 Lacs from COSMOS BANK carries interest @ 10.55% P.A. with monthly rest . The secured loan is repayable in 60 equated monthly instalments of Rs. 0.15 Lacs for principle and interest . The directors have given hypothecation of Vehicle [BOLERO PICK UPI ] as security against the above loan.
N	Indian rupee Working Capital Term loan of Rs.109.37 Lacs from Cosmos Bank, Ahmedabad carries interest @ 10.65% p.a. and subject to change as per bank norm's from time to time, change in base rate, and credit rating of the account. The term loan is repayable in 37 Monthly instalment, instalment is of Rs. 3.81 Lacs each commencing from Dec. 2014 . The term loan is secured by Equitable mortgage of industrial land situated at Block No. 868 and 871, Village Santej, Taluka Kalol, Dist Gandhinagar, Ahemdabad, Equitable Mortgage of Office Building situated at A/36, Circle B Building, Judges Banglow Road, S.G. Highway, Ahmedabad belonging to the promoter director and hypothecation of plant and machinery and other assets excluding vehicles financed by other banks /institution. Further, the loan has been guaranteed by the personal guarantee of the promoter directors of the company.
O	Indian rupee Term loan of Rs.450 Lacs from Cosmos Bank, Ahemdabad carries interest @ 10.65% p.a. and subject to change as per bank norm's from time to time, change in base rate, and credit rating of the account. The term loan is repayable in 47 Monthly instalment, instalment is of Rs. 12.26 Lacs each commencing from Dec. 2014 . The term loan is secured by Equitable mortgage of industrial land situated at Block No. 868 and 871, Village Santej, Taluka Kalol, Dist Gandhinagar, Ahemdabad, Equitable Mortgage of Office Building situated at A/36, Circle B Building, Judges Banglow Road, S.G. Highway, Ahmedabad belonging to the promoter director and hypothecation of plant and machinery and other assets excluding vehicles financed by other banks/institution. Further, the loan has been guaranteed by the personal guarantee of the promoter directors of the company.
P	Indian rupee Term loan of Rs. 374.22 Lacs from Cosmos Bank, Ahemdabad (Converted to buyer's credit for Rs. 258.87 Lacs roll over after every 180 Days in three years and balance disbursed as term loan) and term loan carries interest @ 10.65% p.a. and subject to change as per bank norm's from time to time, change in base rate, and credit rating of the account. The term loan is repayable in 60 Monthly instalment of Rs. 2.39 Lacs each, has a moratorium Period of six month and installment to commence from Sep. 2015 and The term loan is secured by Equitable mortgage of industrial land situated at Block No. 868 and 871, Village Santej, Taluka Kalol, Dist Gandhinagar, Ahemdabad, Equitable Mortgage of Office Building situated at A/36, Circle B Building, Judges Banglow Road, S.G. Highway, Ahmedabad belonging to the promoter director and hypothecation of plant and machinery and other assets excluding vehicles financed by other banks/institution. Further, the loan has been guaranteed by the personal guarantee of the promoter directors of the company.
Q	Indian rupee Secured loan of Rs. 29.70 Lacs from Axis. Bank Ltd. carries interest @ 9.81% P.A. with monthly rest . The secured loan is repayable in 36 equated monthly instalments of Rs. 0.95 Lacs for principle and interest . The directors have given mortgage of Vehical [FORDEAVOUR] as security against the above loan.
R	Loan secured against FDR of directors carries interest @ 0.75 P.A over and above the rate of FDR.
S	Unsecured Loan from directors is interest free and from relatives carries interest @ 12% P.A. taken on long term basis.
T	The company does not have any default in repayment of loans and interest as at the reporting date.

(Rs. In Lakhs)

<b>18</b>	<b>Non- current provisions</b>				
	<b>Particulars</b>	<b>As at December 31, 2020</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	Provision for Gratuity	29.93	23.46	19.65	18.54
	<b>TOTAL (A+B)</b>	<b>29.93</b>	<b>23.46</b>	<b>19.65</b>	<b>18.54</b>

(Rs. In Lakhs)

<b>19</b>	<b>Deferred tax liability ( Net)</b>				
	<b>Particulars</b>	<b>As at December 31, 2020</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	Deferred Tax Liability Fixed Assets: Impact of difference between tax depreciation and depreciation charges to financial reporting.	260.15	224.45	191.85	219.48
	Deferred Tax Asset: a. Employees retirement benefits charged to statement of profit & loss but allowed for tax on payment basis.	9.03	7.16	5.72	6.61
	b. Allowance for Expected Credit Loss	13.68	8.09	9.68	12.36
	<b>TOTAL (A+B)</b>	<b>237.43</b>	<b>209.20</b>	<b>176.44</b>	<b>200.52</b>

20	Current Borrowings				
	Particulars	As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
	<b>Working Capital Loans from Banks</b>				
	<i>Secured</i>				
	Cash Credit	2,236.45	1,747.92	1,929.70	1,725.36
	Foreign Letter of Credit	-	-	14.62	62.64
	Inland Letter of Credit	307.02	528.65	475.01	277.24
	Working capital Loan	493.08	-	-	-
	Overdraft	-	47.47	426.57	-
	Buyers Credit from Banks	-	-	-	199.64
	<i>Unsecured</i>				
	Loans from Directors & Relatives	-	-	19.09	112.32
	<b>TOTAL</b>	<b>3,036.55</b>	<b>2,324.05</b>	<b>2,864.99</b>	<b>2,377.20</b>
a.	Indian rupee Working Capital Limits of Rs. 1000.00 Lacs including WCDL of Rs. 600 Lacs (with sub limit of Rs. 200 Lacs as PCFC/PC, carrying interest at 9.75% p.a. from Cosmos Bank, Ahmedabad) carrying interest @ 10.55% p.a subject to 9.80% on WCDL and subject to change in base rate, and credit rating of the account. The above limits are secured by Equitable mortgage of industrial land situated at Block No. 868 and 871, Village Santej, Taluka Kalol, Dist. Gandhinagar, Equitable Mortgage of Office Building situated at A/36, 4th Floor, Circle B Building, Judges Bungalow Road, S.G. Highway, Ahmedabad and Residential Open Plot, Plot No. 3 of Revenue Survey No. 14914 of Bodakdev, Ahmedabad belonging to the promoter director and hypothecation of plant and machinery and other assets excluding vehicles financed by other banks/ institution. Further, the loan has been guaranteed by the personal guarantee of the promoter directors of the company.				
b.	Indian rupee Working Capital Limits of Rs. 1000.00 Lacs including WCDL for Rs. 800 Lacs (with sub limit of Rs. 200 Lacs as EPC/PSC/EBRD/PSCFC, carrying interest at 8.90% p.a. plus MCLR from Axis Bank, Ahmedabad) carrying interest @ 10.30.% p.a subject to 9.90% p.a. on WCDL and subject to change in base rate, and credit rating of the account. The above limits are secured by pari passu second charge over Equitable mortgage of industrial land situated at Block No. 868 and 871, Village Santej, Taluka Kalol, Dist. Gandhinagar, Equitable Mortgage of Office Building situated at A/36, 4th Floor, Circle B Building, Judges Bungalow Road, S.G. Highway, Ahmedabad and Residential Open Plot, Plot No. 3 of Revenue Survey No. 14914 of Bodakdev, Ahmedabad belonging to the promoter director and hypothecation of plant and machinery and other assets excluding vehicles financed by other banks/institution. Further, the loan has been guaranteed by the personal guarantee of the promoter directors of the company.				
c.	Inland Letter of Credit sanctioned for Rs. 11 Cr to be used against procurement of Raw Material, Packing Material, Stores and Spares having Commission/Charges of 1.25% p.a. plus applicable taxes, if any, payable upfront. Bank Guarantee as sublimit of LC sanctioned at Rs. 4Cr having commission of 1.30% plus applicable taxes, if any, payable upfront.				
d.	Foreign Letter of Credit as sublimit of LC (upto sanctioned limit of LC of Rs. 11 Cr) to be used against procurement of Raw Material, Packing Material, Stores and Spares having Commission/Charges of 1.25% p.a. plus applicable taxes, if any, payable upfront.				
e.	Unsecured Loans from directors are payable on demand and carrying no interest.				

(Rs. In Lakhs)

21	Trade Payables				
	Particulars	As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
	i) Total outstanding dues of micro enterprises and small enterprises	2.27	2.23	3.34	2.74
	ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,045.59	1,662.99	1,186.79	995.70
	<b>TOTAL</b>	<b>2,047.87</b>	<b>1,665.23</b>	<b>1,190.13</b>	<b>998.44</b>

(Rs. In Lakhs)

22	Other Financial Liabilities				
	Particulars	As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
	Current Maturities of long term debts	380.84	207.66	320.10	374.80
	Interest accrued but not due	-	13.03	2.86	2.85
	Outstanding Expenses	142.17	27.64	64.63	78.99
	<b>TOTAL</b>	<b>523.01</b>	<b>248.34</b>	<b>387.58</b>	<b>456.63</b>

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(Rs. In Lakhs)

23 Other current Liabilities					
Particulars	As at	As at	As at	As at	
	December 31, 2020	March 31, 2020	March 31, 2019	March 31, 2018	
Advances from Customers	25.36	8.88	20.69	0.72	
Statutory Duties & Taxes	17.62	24.22	45.20	18.75	
Other Current Liabilities	2.11	2.12	-	-	
<b>TOTAL</b>	<b>45.09</b>	<b>35.22</b>	<b>65.89</b>	<b>19.47</b>	

(Rs. In Lakhs)

24 Current provisions					
Particulars	As at	As at	As at	As at	
	December 31, 2020	March 31, 2020	March 31, 2019	March 31, 2018	
Provision for Gratuity	2.54	2.27	0.92	1.44	
<b>TOTAL (A+B)</b>	<b>2.54</b>	<b>2.27</b>	<b>0.92</b>	<b>1.44</b>	

(Rs. In Lakhs)

25 Current Tax Liabilities (net)					
Particulars	As at	As at	As at	As at	
	December 31, 2020	March 31, 2020	March 31, 2019	March 31, 2018	
Current Tax Provision for the year	87.37	70.51	157.66	104.91	
Less: Advance Tax paid (including TDS & TCS)	57.60	70.51	146.74	51.38	
<b>TOTAL</b>	<b>29.77</b>	<b>0.00</b>	<b>10.92</b>	<b>53.53</b>	

(Rs. In Lakhs)

26 Revenue from operations					
Particulars	For the period ended December 31, 2020	For the year ended			
		March 31, 2020	March 31, 2019	March 31, 2018	
Sale of products and services					
a. Finished goods	11,200.19	9,762.59	10,024.95	8,729.91	
b. Traded goods	533.07	552.14	355.38	524.68	
Job Work Charges	45.43	39.44	58.75	26.06	
	11,778.69	10,354.17	10,439.09	9,280.65	
Less: Excise Duty	-	-	-	266.60	
	11,778.69	10,354.17	10,439.09	9,014.06	
<b>Other Operating revenue</b>					
Export Entitlement Benefits	4.29	4.93	3.84	3.14	
<b>TOTAL</b>	<b>11,782.98</b>	<b>10,359.10</b>	<b>10,442.93</b>	<b>9,017.20</b>	

(Rs. In Lakhs)

27 Other Income					
Particulars	For the period ended December 31, 2020	For the year ended			
		March 31, 2020	March 31, 2019	March 31, 2018	
Exchange Rate Fluctuation	6.02	11.36	-	23.98	
Interest Income	15.24	16.40	19.92	12.22	
Reversal of Provision for Excise Duty	-	-	-	23.96	
Insurance claims	2.25	2.57	9.75	3.83	
Reversal of Excess Allowance for Expected Credit Loss	-	5.72	2.58	-	
Design and Processing Charges	-	-	2.43	0.66	
Dividend Received	-	-	0.34	-	
Profit on Sale/disposal of Fixed Assets	-	-	0.45	7.03	
Modvat Utilized	-	-	-	1.87	
Misc. Income	1.07	3.30	2.10	7.21	
<b>TOTAL</b>	<b>24.57</b>	<b>39.35</b>	<b>37.57</b>	<b>80.77</b>	

28 Cost of Material Consumed					
Particulars	For the period ended December 31, 2020	For the year ended			
		March 31, 2020	March 31, 2019	March 31, 2018	
Raw Material Consumed					
Inventories at the beginning of the period / year	886.03	897.89	948.18	796.21	
Add: Purchases	8,665.21	7,142.46	7,412.37	6,230.44	
	9,551.24	8,040.36	8,360.55	7,026.65	
Less: Inventories at the end the period / year	1,673.69	886.03	897.89	948.18	
<b>Raw Material Consumed</b>	<b>7,877.55</b>	<b>7,154.32</b>	<b>7,462.66</b>	<b>6,078.47</b>	

29 Changes in inventories of finished goods, stock-in-trade and work-in-progress					
Particulars	For the period ended December 31, 2020	For the year ended			
		March 31, 2020	March 31, 2019	March 31, 2018	
<b>Inventories at the beginning of the period / year</b>					
Finished Goods	295.29	279.06	260.13	279.32	
Semi Finished Goods	1,316.29	913.42	661.73	445.05	
Scrap	4.70	2.06	4.45	0.26	
	1,616.28	1,194.55	926.30	724.64	
<b>Less: Inventories at the end of the year</b>					
Finished Goods	345.75	295.29	279.06	260.13	
Semi Finished Goods	1,132.65	1,316.29	913.42	661.73	
Scrap	4.43	4.70	2.06	4.45	
	1,482.83	1,616.28	1,194.55	926.30	
<b>Net decrease/ (Increase)</b>	<b>133.45</b>	<b>(421.73)</b>	<b>(268.24)</b>	<b>(201.67)</b>	

30 Manufacturing expenses					
Particulars	For the period ended December 31, 2020	For the year ended			
		March 31, 2020	March 31, 2019	March 31, 2018	
Stores, Spares & Maintenance Expenses	94.19	94.38	88.28	74.85	
Packing Material Consumed	63.18	110.76	75.97	84.34	
Cylinder Consumed	29.10	68.81	55.45	73.00	
Power and fuel	340.87	376.54	349.41	333.96	
Factory General expenses	34.18	15.47	5.34	6.36	
Freight and Inward Exp.	74.61	29.51	9.63	61.63	
Job Charges paid	21.47	13.54	14.22	8.35	
Rent of Machineries	155.10	68.21	-	-	
Contract labour	358.97	285.87	280.64	212.14	
Clearing & Forwarding	25.15	14.67	10.80	17.71	
Testing Expenses	0.62	2.41	-	-	
Security Charges	20.84	21.40	13.14	11.25	
Repairs and maintenance	59.20	88.59	98.43	71.34	
Unloading Expenses	-	-	4.96	13.28	
VAT/CST/ GST	-	-	1.39	20.49	
Other Manufacturing Expenses	1.71	1.41	1.59	0.52	
<b>TOTAL</b>	<b>1,279.19</b>	<b>1,191.58</b>	<b>1,009.24</b>	<b>989.23</b>	



(Rs. In Lakhs)

31	Employee benefit expenses				
	Particulars	For the period ended December 31, 2020	For the year ended		
			March 31, 2020	March 31, 2019	March 31, 2018
	Salaries, wages, bonus and other allowances	447.94	517.15	470.36	432.84
	Gratuity	7.45	6.66	5.46	3.34
	Contribution to Provident Fund and ESI	20.25	41.54	39.37	39.87
	Canteen Expenses and Staff Welfare	29.43	36.08	33.56	30.25
	<b>TOTAL</b>	<b>505.07</b>	<b>601.44</b>	<b>548.75</b>	<b>506.31</b>

(Rs. In Lakhs)

32	Finance costs				
	Particulars	For the period ended December 31, 2020	For the year ended		
			March 31, 2020	March 31, 2019	March 31, 2018
	Interest (Net)	319.53	346.99	283.02	239.70
	Bank Commission & Charges	72.59	23.81	20.13	22.76
	Exchange Rate fluctuation	-	-	3.05	-
	<b>TOTAL</b>	<b>392.12</b>	<b>370.81</b>	<b>306.19</b>	<b>262.46</b>

(Rs. In Lakhs)

33	Other expenses				
	Particulars	For the period ended December 31, 2020	For the year ended		
			March 31, 2020	March 31, 2019	March 31, 2018
	Telecommunication Expenses	2.98	3.08	2.98	2.92
	Insurance Premium	22.33	20.08	32.40	33.75
	Advertisement & Marketing Expenses	-	0.87	0.81	0.82
	Audit Fees	2.25	3.00	1.00	1.00
	Iso Audit Fee Expenses	0.40	1.34	0.90	1.48
	Vehicle Expenses	11.95	13.98	12.84	6.37
	Corporate Social Responsibility Expenses	-	5.77	-	-
	Legal & Consulting Expenses	15.84	12.19	19.73	12.71
	Rent, Rates and Taxes	15.10	12.51	7.41	7.09
	Freight Outward	82.95	98.40	83.64	13.22
	Selling & Distribution Expenses	39.81	17.98	-	-
	Repairs & Maintenance Expenses	0.55	5.34	7.35	11.70
	License Fees	-	0.23	7.98	0.99
	Discount on Sales	31.95	19.90	25.34	-
	Office Expenses	2.75	30.78	18.32	4.11
	Miscellaneous Expenses	4.06	2.54	1.12	4.92
	Printing & Stationery Expenses	3.39	2.92	5.17	8.09
	Travelling Expenses	0.23	7.64	4.03	4.79
	Allowance for Expected Credit Loss	20.09	-	-	5.00
	Donation	-	0.42	5.50	11.94
	Electricity expenses	-	1.71	6.65	5.77
	Postage & Courier Expenses	0.78	1.26	1.64	1.04
	Excise Duty Paid on Audit	-	-	-	9.19
	Exhibition expense	-	-	0.20	15.59
	<b>TOTAL</b>	<b>257.41</b>	<b>261.93</b>	<b>244.98</b>	<b>162.50</b>

**34 Employee benefits**

**a) Defined contribution plans**

During the year, the company has recognised the following amounts in the Statement of Profit & Loss:

(Rs. In Lakhs)

Particulars	For the period ended December 31, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's Contribution to Provident fund	20.25	41.54	35.48	36.05
	20.25	41.54	35.48	36.05

**b) Defined benefit plan - Gratuity**

(Rs. In Lakhs)

Particulars	As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Gratuity Payable to employees	32.47	25.73	20.57	19.98

**A. The principal actuarial assumptions used for determining liability for gratuity are as follows**

Particulars	As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Financial assumptions				
Salary Escalation Rate	8% p.a.	8% p.a.	8% p.a.	8% p.a.
Discount Rate	6.56% p.a.	6.84% p.a.	7.79% p.a.	7.83% p.a.
Demographic assumptions				
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Attrition Rate	3%	3%	3%	3%
Valuation Inputs				
Retirement Age	58 yrs	58 yrs	58 yrs	58 yrs
Vesting Period	5 yrs	5 yrs	5 yrs	5 yrs

**I. Change in present value of defined benefit during the year**

(Rs. In Lakhs)

Particulars	For the period ended December 31, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Defined Benefit obligation at beginning of year	25.73	20.57	19.98	11.72
Service Cost	6.13	5.06	3.90	3.34
Interest Cost	1.32	1.60	1.56	
Past Service Cost				
Actuarial (gain)/loss	2.14	0.16	(2.61)	6.29
Benefits paid	(2.84)	(1.67)	(2.26)	(1.37)
Defined Benefit obligation at year end	32.47	25.73	20.57	19.98

ANNEXURE - V: SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE RESTATED FINANCIAL STATEMENTS

**II. Change in Fair Value of plan assets during the year**

(Rs. In Lakhs)

Particulars	For the period ended December 31, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Plan assets at beginning of year	-	-	-	-
Expected return on plan assets	-	-	-	-
Actuarial gain/loss	-	-	-	-
Employer contribution	-	-	-	-
Benefits paid	-	-	-	-
Plan assets at end of the year	-	-	-	-

**III. Amount recognised in Balance sheet**

(Rs. In Lakhs)

Particulars	As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Present value of obligation as at year end	(32.47)	(25.73)	(20.57)	(19.98)
Fair value of plan assets at year end	-	-	-	-
Funded Status (Surplus/ deficit)	(32.47)	(25.73)	(20.57)	(19.98)
Net assets (Liability)	(32.47)	(25.73)	(20.57)	(19.98)

**IV. Expenses recognised in Statement of Profit & Loss**

(Rs. In Lakhs)

Particulars	For the period ended December 31, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Service Cost	6.13	5.06	3.90	3.34
Net Interest Cost	1.32	1.60	1.56	-
Total expense	7.45	6.66	5.46	3.34

**V. Expenses recognised in Other Comprehensive Income**

(Rs. In Lakhs)

Particulars	For the period ended December 31, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Actuarial (gain)/losses on Obligation for the period	2.14	0.16	(2.61)	6.29
Return on plan Assets, excluding Interest Income	-	-	-	-
Change in Asset Ceiling	-	-	-	-
Closing amount recognised in OCI	2.14	0.16	(2.61)	6.29

**VI. Bifurcation of Gratuity Liability at the end of the year/period**

(Rs. In Lakhs)

Particulars	As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Current Liability	2.54	2.27	0.92	1.44
Non current liability	29.93	23.46	19.65	18.54

**VII. Risk Exposure**

Gratuity is a defined benefit plan and entity is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. entity has to manage pay-out based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

VIII. The sensitivity analysis of the defined benefit obligation based on changes in significant assumptions is provided in following table:

(Rs. In Lakhs)

Particulars	As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Projected Benefit Obligation on Current assumptions	32.47	25.73	20.57	19.98
a. Impact of change in discount rate				
- Impact due to +1%	(3.55)	(2.70)	(2.06)	(2.15)
- Impact due to -1%	4.31	3.27	2.47	2.59
b. Impact of change in rate of salary increase				
- Impact due to +1%	4.21	3.20	2.44	2.56
- Impact due to -1%	(3.54)	(2.70)	(2.08)	(2.16)
c. Impact of change in employee turnover				
- Impact due to +1%	(0.68)	(0.45)	(0.13)	(0.12)
- Impact due to -1%	0.77	0.51	0.13	0.12

IX. Maturity Analysis of Benefits payments

(Rs. In Lakhs)

Particulars	As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
1st Following year	2.54	2.27	0.92	1.44
2nd Following year	0.73	0.60	0.62	0.56
3rd Following year	1.34	1.47	2.28	0.63
4th Following year	3.73	1.38	0.66	1.13
5th Following year	1.43	3.31	1.31	1.42
Sum of years 6 to 10	6.74	4.69	7.48	7.07
Sum of years 11 and above	72.10	58.26	49.90	54.45

35 Income Tax

(A) Deferred tax liability to the following:

(Rs. In Lakhs)

Particulars	As at 31-12-2020	As at 31-03-2020	As at 31-03-2019	As at 31-03-2018
<b>Deferred tax liabilities</b>				
On Difference between book depreciation and tax depreciation	260.15	224.45	191.85	219.48
<b>Total Deferred tax liabilities</b>	<b>260.15</b>	<b>224.45</b>	<b>191.85</b>	<b>219.48</b>
<b>Deferred tax assets</b>				
On Expenses provided but allowable in Income Tax on payment basis -				
- Provision for employee benefits	9.03	7.16	5.72	6.61
- On Allowance for Expected Credit Loss	13.68	8.09	9.68	12.36
<b>Total Deferred tax assets</b>	<b>22.72</b>	<b>15.25</b>	<b>15.41</b>	<b>18.97</b>
<b>Deferred tax Liabilities (Net)</b>	<b>237.43</b>	<b>209.20</b>	<b>176.44</b>	<b>200.52</b>

(B) Reconciliation of deferred tax assets/ (liabilities) (net):

(Rs. In Lakhs)

Particulars	As at 31-12-2020	As at 31-03-2020	As at 31-03-2019	As at 31-03-2018
Opening balance	(209.20)	(176.44)	(200.52)	(204.12)
Tax liability recognized in Statement of Profit and Loss	35.70	32.60	(27.64)	0.79
Tax liability recognized in OCI				
On re-measurements gain/(losses) of post-employment benefit obligations	0.60	0.05	(0.73)	2.08
Tax asset recognized/(reversed) in Statement of Profit and Loss	6.87	(0.20)	(2.83)	2.31
<b>Closing balance as at 31st December / 31st March</b>	<b>(237.43)</b>	<b>(209.20)</b>	<b>(176.44)</b>	<b>(200.52)</b>

(C) Movement in deferred tax assets/ liabilities recognized in Statement of Profit and Loss

(Rs. In Lakhs)

Particulars	For the period ended December 31, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
i) Deferred tax liability on account of difference between book depreciation and tax depreciation	35.70	32.60	(27.64)	0.79
ii) Deferred tax asset / liability on expenses allowed on payment basis				
Provision for employee benefits	(1.28)	(1.39)	0.16	(0.65)
On Provision for doubtful debts	(5.59)	1.59	2.68	(1.65)
<b>Deferred tax charge / (income)</b>	<b>28.83</b>	<b>32.80</b>	<b>(24.81)</b>	<b>(1.52)</b>

(D) Tax expense charged to Profit & Loss A/c

(Rs. In Lakhs)

Particulars	For the period ended December 31, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Income tax expense	69.48	70.51	162.44	100.14
Deferred tax charge / (income)	28.83	32.80	(24.81)	(1.52)
<b>Tax expense reported in the statement of profit or loss</b>	<b>98.30</b>	<b>103.32</b>	<b>137.63</b>	<b>98.62</b>

(E) Tax expense charged to Other Comprehensive Income (OCI)

(Rs. In Lakhs)

Particulars	For the period ended December 31, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Deferred Tax Expense on Net loss/(gain) on remeasurements of defined benefit plans	0.60	0.05	(0.73)	2.08
<b>Tax Expense charged to OCI</b>	<b>0.60</b>	<b>0.05</b>	<b>(0.73)</b>	<b>2.08</b>

(F) Reconciliation of Income tax charge

(Rs. In Lakhs)

Particulars	For the period ended December 31, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	523.43	377.58	563.25	514.57
Income tax expense at tax rates applicable	145.62	105.04	156.70	170.13
Add/(Less): Tax effects of:				
Item not deductible for tax	-	1.67	0.57	(65.93)
Others	(76.14)	(36.21)	5.17	(4.06)
Additional Tax due to Minimum Alternate Tax (MAT)	17.89	-	-	4.78
MAT Credit entitlement on Additional tax	(17.89)	-	-	(4.78)
<b>Income tax expense</b>	<b>69.48</b>	<b>70.51</b>	<b>162.44</b>	<b>100.14</b>

36 Contingent Liabilities

The details of Contingent Liabilities and Commitments (to the extent not provided for):

(Rs. In Lakhs)

Particulars	As at 31-12-2020	As at 31-03-2020	As at 31-03-2019	As at 31-03-2018
<b>Contingent Liabilities:</b>				
Outstanding Bank Guarantee	77.30	76.82	68.82	65.52
Bonds to Custom Authorities	103.16	103.16	103.16	103.16
Disputed Sales Tax Liability	-	-	8.12	8.12
<b>Total</b>	<b>180.46</b>	<b>179.98</b>	<b>180.09</b>	<b>176.80</b>

37 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013 (Act), a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are Healthcare including Preventive healthcare, providing Safe drinking water, sanitation facility, promoting education, Old Age Home maintenance, Environmental sustainability and promotion and development of traditional art and handicrafts. A CSR committee, has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilised through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

(Rs. In Lakhs)

Particulars	For the period ended December 31, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Gross amount required to spend	7.69	9.17	6.45	-
Amount spent during the period/ year	-	5.77	5.50	-

Amount expended as follows:

(Rs. In Lakhs)

Particulars	For the period ended December 31, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
i) Construction/acquisition of any asset	-	-	-	-
ii) For purpose other than (i) above	-	5.77	5.50	-

38 Disclosure pursuant to Indian Accounting Standard-108 "Operating Segments":

During the year under consideration, the company operated only one segment i.e., manufacturing of flexible packaging materials.

39 (a) Financial Instruments by Category

(a) The carrying values and fair values of financial instruments at the end of each reporting periods is as follows:

(Rs. In Lakhs)

Particulars	As at 31.12.2020		As at 31.03.2020		As at 31.03.2019		As at 31.03.2018	
	At FVTPL	Amortised Cost	At FVTPL	Amortised Cost	At FVTPL	Amortised Cost	At FVTPL	Amortised Cost
<b>Assets:</b>								
Investments (Non Current)	23.85	-	23.83	-	15.16	-	15.16	-
Other Non-current Financial assets	-	134.50	-	126.74	-	135.16	-	96.42
Trade Receivables	-	2,410.21	-	1,425.67	-	1,705.76	-	1,831.95
Cash & Cash Equivalents	-	44.82	-	34.60	-	12.89	-	58.08
Other Bank Balance	-	-	-	50.00	-	54.36	-	-
Other current Financial assets	-	7.02	-	8.38	-	3.18	-	6.63
<b>Total</b>	<b>23.85</b>	<b>2,596.55</b>	<b>23.83</b>	<b>1,645.39</b>	<b>15.16</b>	<b>1,911.34</b>	<b>15.16</b>	<b>1,993.09</b>
<b>Liabilities:</b>								
Borrowings	-	3,405.71	-	2,924.17	-	740.18	-	959.79
Borrowings (Current)	-	3,036.55	-	2,324.05	-	2,864.99	-	2,377.20
Trade Payables	-	2,047.87	-	1,665.23	-	1,190.13	-	998.44
Other Financial Liabilities (Current)	-	523.01	-	248.34	-	387.58	-	456.63
<b>Total</b>	<b>-</b>	<b>9,013.14</b>	<b>-</b>	<b>7,161.78</b>	<b>-</b>	<b>5,182.88</b>	<b>-</b>	<b>4,792.06</b>

(b) Fair Value Measurement

(i) Fair Value hierarchy

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2- Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e.as prices) or indirectly (i.e. derived from prices)

Level 3- Input based on unobservable market data

(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

(Rs. In Lakhs)				
Particulars	Level 1	Level 2	Level 3	Total
<b>As at December 31, 2020:</b>				
<i>Financial Asset:</i>				
Investment in Shares of Cosmos Bank Ltd	-	-	23.85	23.85
Total Financial Asset	-	-	23.85	23.85
<i>Financial Liabilities:</i>				
Total Financial Liabilities	-	-	-	-
<b>As at March 31, 2020:</b>				
<i>Financial Asset:</i>				
Investment in Shares of Cosmos Bank Ltd	-	-	23.83	23.83
Total Financial Asset	-	-	23.83	23.83
<i>Financial Liabilities:</i>				
Total Financial Liabilities	-	-	-	-
<b>As at March 31, 2019:</b>				
<i>Financial Asset:</i>				
Investment in Shares of Cosmos Bank Ltd	-	-	15.16	15.16
Total Financial Asset	-	-	15.16	15.16
<i>Financial Liabilities:</i>				
Total Financial Liabilities	-	-	-	-
<b>As at March 31, 2018:</b>				
<i>Financial Asset:</i>				
Investment in Shares of Cosmos Bank Ltd	-	-	15.16	15.16
Total Financial Asset	-	-	15.16	15.16
<i>Financial Liabilities:</i>				
Total Financial Liabilities	-	-	-	-

(c) Valuation Technique to determine fair value:

The investment in shares of Cosmos Bank Ltd. is fair value based on the information available and the fair value as derived approximates its carrying value.

#### 40 Financial Risk Management

The principal financial assets of the Company include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the company, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

##### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency risk, interest rate risk, investment risk.

##### (i) Foreign currency risk

The company operates internationally and business is transacted in several currencies.

The export sales of company comprise around 2% of the total sales of the company, Further the company also imports certain assets and material from outside India. The exchange rate between the Indian rupee and foreign currencies has changed substantially in the future. Consequently the company is exposed to foreign currency risk and the results of the company may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than company's functional currency.

The company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by appropriately hedging the transactions. The Company uses a derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

**UMA CONVERTER LIMITED (Formerly known as Uma Converter Private Limited)**

CIN: U25111GJ1999PLC036163

**ANNEXURE - V: SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE RESTATED FINANCIAL STATEMENTS**

The following table summarizes the company's exposure foreign currency risk from financial instruments at the end of each reporting period:

Particulars	As At	As At	As At	As At
	31.12. 2020	31.03. 2020	31.03. 2019	31.03. 2018
a) Exposure on account of Financial Assets				
Trade receivables (net of bill discounted) (A)				
In USD	91,084	22,202	1,11,799	81,888
In Euro	-	-	-	-
Amount hedged through forwards & options # (B)				
In USD	-	-	-	-
In Euro	-	-	-	-
Net Exposure to Foreign Currency Assets (C=A-B)				
In USD	91,084	22,202	1,11,799	81,888
In Euro	-	-	-	-
b) Exposure on account of Financial Liabilities				
Trade Payables (D)				
In USD	17,25,613	17,67,419	20,125	3,98,752
In Euro	-	-	1,40,000	0
Amount Hedged through forwards & options # (E)				
In USD	-	-	-	-
In Euro	-	-	-	-
Net Exposure to Foreign Currency Liabilities F=(D-E)				
In USD	17,25,613	17,67,419	20,125	3,98,752
In Euro	-	-	1,40,000	-
Net Exposure to Foreign Currency Assets/(Liability) (C-F)				
In USD	(16,34,529)	(17,45,217)	91,674	(3,16,864)
In Euro	-	-	(1,40,000)	-

**Foreign Currency Risk Sensitivity**

1% appreciation/depreciation of the respective foreign currencies with respect to the functional currency of the Company would result in an increase/decrease in the Company's profit before tax by a negligible amount for the year/ period ended 31st December, 2020, 31st March, 2020, 31st March, 2019 and 31st March, 2018.

**(ii) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

**Exposure to Interest Rate risk**

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As At	As At	As At	As At
	31.12. 2020	31.03. 2020	31.03. 2019	31.03. 2018
Long term debts from Banks and Financial Institutions	2,641.32	2,433.51	566.02	887.00
Current Maturities of long term debts	380.84	207.66	320.10	374.80
Unsecured Loan				
- From Bank	-	-	-	-
- From Related Parties	483.67	419.93	119.52	112.32
Short term Borrowings from Banks	3,036.55	2,276.57	2,419.33	2,264.88
Overdraft from Bank	-	47.47	426.57	-
Total borrowings	<b>6,542.37</b>	<b>5,385.15</b>	<b>3,851.53</b>	<b>3,638.99</b>
% of Borrowings out of above bearing variable rate of interest	100%	99%	89%	100%

(Rs. In Lacs)

**Interest rate sensitivity**

A change of 50 bps in interest rate would have following impact on Profit before tax

Particulars	As At	As At	As At	As At
	31.12. 2020	31.03. 2020	31.03. 2019	31.03. 2018
50 bps increase would decrease the profit before tax by	(32.71)	(27.17)	(21.66)	(18.19)
50 bps decrease would increase the profit before tax by	32.71	27.17	21.66	18.19

**(iii) Investment Risk**

The company is exposed to equity price risk arising from equity investments.

The company manages equity price risk by investing in fixed deposits/Fixed Maturity Plans. The company does not actively trade equity investments. Protection principle is given high priority by limiting company's investments to fixed deposits/Fixed Maturity plans only.



#### Liquidity Risk

The financial liabilities of the company, other than derivatives, include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The company plans to maintain sufficient cash and deposits to meet the obligations as and when fall due.

The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period:

Particulars	(Rs. In Lacs)			
	As At 31.12. 2020	As At 31.03. 2020	As At 31.03. 2019	As At 31.03. 2018
<b>Borrowings</b>				
expiring within one year	3,901.05	2,951.64	3,285.51	2,751.99
expiring beyond one year	2,641.32	2,433.51	566.02	887.00
	6,542.37	5,385.15	3,851.53	3,638.99
<b>Trade Payables</b>				
expiring within one year	2,047.87	1,665.23	1,190.13	998.44
expiring beyond one year	-	-	-	-
	2,047.87	1,665.23	1,190.13	998.44
<b>Other Financial liabilities</b>				
expiring within one year	523.01	248.34	387.58	456.63
expiring beyond one year	-	-	-	-
	523.01	248.34	387.58	456.63

#### Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in shares of bank having proven track record and taken as a stipulation of credit facility availed from them. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Customer credit risk is managed by the Entities's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

The following table summarises the changes in impairment allowance measured using the expected credit loss model:

Particulars	(Rs. In Lacs)			
	As At 31.12. 2020	As At 31.03. 2020	As At 31.03. 2019	As At 31.03. 2018
At the beginning of the period /year	29.10	34.81	37.39	32.39
Provision made during the period /year	20.09	-	-	5.00
Utilised / reversed during the period/year	-	5.72	2.58	-
<b>At the end of the period/ year</b>	<b>49.19</b>	<b>29.10</b>	<b>34.81</b>	<b>37.39</b>

The impairment analysis is performed on client to client basis at each reporting date for major customers. The company has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

#### Write off policy

The financial assets are written off, in case there is no reasonable expectation of recovering from the financial asset.

#### Capital Management

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The company monitors capital using a gearing ratio.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity.

The Company's gearing ratio was as follows:

Particulars	(Rs. In Lacs)			
	As At 31.12. 2020	As At 31.03. 2020	As At 31.03. 2019	As At 31.03. 2018
Total Borrowings	6,542.37	5,385.15	3,851.53	3,638.99
Less: Cash and cash equivalents	44.82	34.60	12.89	58.08
Net debt	6,497.55	5,350.55	3,838.64	3,580.91
Total equity	4,295.89	3,872.31	3,164.60	2,737.09
Gearing ratio	1.51	1.38	1.21	1.31

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing during the year ended 31st December, 2020.

#### 41 First-time adoption of Ind-AS

A. The financial statements for the nine months ended December 31, 2020 are the first set of Ind AS financial statements prepared by the Company. The company has prepared Proforma Ind AS Financial Statements after making adjustments to audited Indian GAAP financial statements for the year ended 31st March, 2020, 31st March, 2019 and 31st March, 2018.

##### i. Exemptions availed on first time adoption of Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

###### (a) Deemed Cost

Since there is no change in the functional currency, the Company has elected to continue with carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as its deemed cost at the date of transition after making adjustments for decommissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets. Accordingly the management has elected to measure all of its property, plant and equipment and intangible assets at their Indian GAAP carrying value.

##### ii. Mandatory Exemption on first-time adoption of Ind AS

###### (a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 01, 2017 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

(i) Impairment of financial assets based on expected credit loss model.

(ii) Fair valuation of compound instrument.

(iii) Effective interest rate used in calculation of security deposit.

###### (b) Derecognition of financial assets and financial liabilities

A first-time adopter should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

###### (c) Classification and measurement of financial assets

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The company has complied with the same.

#### Impairment of financial assets

Ind AS 101 provides relaxation from applying the impairment related requirements of Ind AS 109 retrospectively. At the date of transition, it requires an entity to use reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised and compare that to the credit risk at the date of transition to Ind AS or recognise a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is de-recognised, if at the date of transition to Ind AS, determination of credit risk involves undue cost or effort. The Company has elected to apply Ind AS 109 prospectively from the date of transition to Ind AS.

#### B. First time adoption reconciliation

##### Equity reconciliation

(Rs. In Lakhs)

Particulars	Notes to first time adoption	As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Total equity (shareholder's funds) as per previous GAAP			3,788.08	3,024.85	2,540.53
<b>Adjustments</b>					
Impact of earlier tax adjustments	e		(62.36)	(55.02)	-
Impact of recognition of expected credit loss	c		(29.10)	(34.81)	(37.39)
Reversal of amortisation of preliminary expense	d		(24.90)	(11.22)	-
Impact of change in gratuity provision as per actuarial report	a		-	(6.02)	(6.97)
Impact of depreciation written back due to change of method	f		158.71	185.10	209.62
Impact of deferred tax on above adjustments and opening gratuity	b		(36.06)	(9.64)	(35.23)
Impact of Current Tax on above adjustments	e		77.94	71.36	66.54
Total IND AS adjustments			84.24	139.75	196.57
Total equity (shareholders) fund as per IND AS		4,295.89	3,872.32	3,164.60	2,737.09
<b>Other material adjustments</b>					
Restatement adjustments		-	-	-	-
		-	-	-	-
<b>Equity as per restated Ind AS</b>		<b>4,295.89</b>	<b>3,872.32</b>	<b>3,164.60</b>	<b>2,737.09</b>

**Reconciliation of total comprehensive income:**

Particulars	Notes to first time adoption	As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Profit after tax as per previous GAAP			322.31	429.30	358.39
<b>Adjustments</b>					
Impact of recognition of expected credit loss	c		5.72	2.58	(5.00)
Reversal of amortisation of preliminary expense	d		(13.68)	(11.22)	-
Actuarial (gain)/loss reclassified to Other Comprehensive Income	a		-	-	-
Impact of change in gratuity provision as per actuarial report	a		6.19	(1.66)	(0.69)
Increase in depreciation due to change of method	f		(26.39)	(24.52)	(20.61)
Impact of deferred tax	b		(26.47)	26.32	17.32
Impact of Income tax	e		6.58	4.82	66.54
Total Ind AS adjustments in Statement of Profit and loss			(48.05)	(3.68)	57.56
<b>Other Comprehensive income</b>					
Remeasurement of (gains)/losses on defined benefit plans	a		(0.16)	2.61	(6.29)
Deffered tax on above adjustments	b		0.05	(0.73)	2.08
Total			(0.12)	1.88	(4.21)
<b>Total Comprehensive Income as per Ind AS</b>		<b>423.58</b>	<b>274.14</b>	<b>427.50</b>	<b>411.74</b>
<b>Other material adjustments</b>					
Restatement adjustments		-	-	-	-
		-	-	-	-
<b>Total Comprehensive Income as per restated Ind AS</b>		<b>423.58</b>	<b>274.14</b>	<b>427.50</b>	<b>411.74</b>

**Explanations to reconciliations**

- Under the Indian GAAP defined benefit obligations relating to gratuity were recognised in the statement of profit and loss based on the management estimate. Under Ind AS, actuarial valuation report obtained by the management and the same has been adjusted to Indian GAAP financials while preparing Proforma Ind AS Financial Statements.
- Under the Indian GAAP, deferred tax was accounted on account of difference between book value of depreciable assets and WDV as per Income tax. Under Proforma Ind AS, deferred tax asset / liability was created on temporary differences between taxable income and accounting income which include creation of deferred tax asset/ liability on expenses allowed on payment basis like provision for gratuity along with difference due to depreciation and expected credit loss.
- Under previous GAAP, the Company has not recognised expected credit loss for its trade receivables whereas Ind AS 109 requires companies to compute the expected credit loss with respect to financial assets. Consequent to this change, the Company has recognised expected credit loss on its trade receivables and hence total equity decreased.
- Under the Indian GAAP, preliminary expenses were recognised under non current assets. Under Ind AS, preliminary expenses has been recognised in the Statement of Profit and loss in the period in which the company has incurred the same.
- Under Indian GAAP, the company has given impact for excess / short provision of tax for earlier years. Under Proforma Ind AS financial statements, the same has been restated and re-grouped to the respective period along with the change in the tax amount.
- Under Indian GAAP, the company was following both straight line method and written down value method for depreciating plant & machinery. But, under Proforma Ind AS financial statements, the same has been restated and company follow straight line method of depreciation for plant and equipment, and effect of change in depreciation due to change in policy has been given in Ind AS financial statements.

C Effect of IND AS adoption on the balance sheet.

a) Reconciliation of Balance Sheet as on 31st December , 2020

(Rs. In Lakhs)

Particulars	Regrouped IGAAP	Ind AS Adjustments	Ind AS	Restatement Adjustment	Restated Ind AS
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment			6,041.06	0.00	6,041.06
Capital work-in-progress			218.50	(0.00)	218.50
<b>Financial assets</b>					
Investments			23.85	-	23.85
Other financial assets			134.50	-	134.50
Other non-current assets			325.15	-	325.15
<b>Total non-current assets</b>	<b>0.00</b>	<b>-</b>	<b>6,743.07</b>	<b>(0.00)</b>	<b>6,743.06</b>
<b>Current assets</b>					
Inventories			4,055.42	-	4,055.42
<b>Financial assets</b>					
Trade receivables			2,410.21	-	2,410.21
Cash and cash equivalents			44.82	-	44.82
Bank balances other than cash and cash equivalents			-	-	-
Other financial assets			7.02	-	7.02
Other current assets			393.25	0.00	393.25
<b>Total current assets</b>	<b>0.00</b>	<b>-</b>	<b>6,910.72</b>	<b>0.00</b>	<b>6,910.72</b>
<b>TOTAL ASSETS</b>	<b>0.00</b>	<b>-</b>	<b>13,653.79</b>	<b>(0.00)</b>	<b>13,653.79</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Equity share capital			1,469.43	-	1,469.43
Other Equity			2,826.46	-	2,826.46
<b>Total Equity</b>	<b>0.00</b>	<b>-</b>	<b>4,295.89</b>	<b>-</b>	<b>4,295.89</b>
<b>Non-current liabilities</b>					
<b>Financial liabilities</b>					
Borrowings			3,405.71	-	3,405.71
Long term provisions			29.93	-	29.93
Deferred Tax Liabilities (Net)			237.43	-	237.43
<b>Total non-current liabilities</b>	<b>0.00</b>	<b>-</b>	<b>3,673.07</b>	<b>-</b>	<b>3,673.07</b>
<b>Current liabilities</b>					
<b>Financial liabilities</b>					
Borrowings			3,036.55	-	3,036.55
Trade payables					
i) Total outstanding dues of MSME			2.27	-	2.27
i) Total outstanding dues of creditors other than MSME			2,045.59	-	2,045.59
Other financial liabilities			523.01	-	523.01
Other current liabilities			45.09	-	45.09
Short term provision			2.54	-	2.54
Current tax liabilities (net)			29.77	-	29.77
<b>Total current liabilities</b>	<b>0.00</b>	<b>-</b>	<b>5,684.82</b>	<b>-</b>	<b>5,684.82</b>
<b>TOTAL LIABILITIES</b>	<b>0.00</b>	<b>-</b>	<b>9,357.90</b>	<b>-</b>	<b>9,357.90</b>
<b>TOTAL EQUITIES AND LIABILITIES</b>	<b>0.00</b>	<b>-</b>	<b>13,653.79</b>	<b>-</b>	<b>13,653.79</b>

b) Reconciliation of Balance Sheet as on 31st March , 2020

Particulars	Regrouped IGAAP	Ind AS Adjustments	Ind AS	Restatement Adjustment	Restated Ind AS
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5,216.41	158.71	5,375.12	0.00	5,375.12
Capital work-in-progress	652.28	-	652.28	-	652.28
<b>Financial assets</b>					
Investments	23.83	-	23.83	-	23.83
Other financial assets	126.74	-	126.74	-	126.74
Other non-current assets	201.22	(24.90)	176.32	0.00	176.32
<b>Total non-current assets</b>	<b>6,220.49</b>	<b>133.81</b>	<b>6,354.30</b>	<b>0.00</b>	<b>6,354.30</b>
<b>Current assets</b>					
Inventories	3,147.34	0.00	3,147.34	0.00	3,147.34
<b>Financial assets</b>					
Trade receivables	1,454.76	(29.10)	1,425.67	-	1,425.67
Cash and cash equivalents	34.60	-	34.60	(0.00)	34.60
Bank balances other than cash and cash equivalents	50.00	-	50.00	-	50.00
Other financial assets	8.38	-	8.38	-	8.38
Other current assets	268.36	15.58	283.95	-	283.95
<b>Total current assets</b>	<b>4,963.45</b>	<b>(13.51)</b>	<b>4,949.94</b>	<b>(0.00)</b>	<b>4,949.94</b>
<b>TOTAL ASSETS</b>	<b>11,183.95</b>	<b>120.30</b>	<b>11,304.24</b>	<b>0.00</b>	<b>11,304.24</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Equity share capital	1,469.43	-	1,469.43	-	1,469.43
Other Equity	2,318.65	84.24	2,402.88	-	2,402.88
<b>Total Equity</b>	<b>3,788.08</b>	<b>84.24</b>	<b>3,872.31</b>	<b>-</b>	<b>3,872.31</b>
<b>Non-current liabilities</b>					
<b>Financial liabilities</b>					
Borrowings	2,924.17	0.00	2,924.17	-	2,924.17
Long term provisions	25.73	(2.27)	23.46	-	23.46
Deferred Tax Liabilities (Net)	173.14	36.06	209.20	-	209.20
<b>Total non-current liabilities</b>	<b>3,123.04</b>	<b>33.79</b>	<b>3,156.83</b>	<b>-</b>	<b>3,156.83</b>
<b>Current liabilities</b>					
<b>Financial liabilities</b>					
Borrowings	2,324.05	-	2,324.05	-	2,324.05
Trade payables					
i) Total outstanding dues of MSME	2.23	-	2.23	-	2.23
i) Total outstanding dues of creditors other than MSME	1,662.99	-	1,662.99	-	1,662.99
Other financial liabilities	248.34	-	248.34	-	248.34
Other current liabilities	35.22	-	35.22	-	35.22
Short term Provisions	0.00	2.27	2.27	-	2.27
Current tax liabilities (net)	0.00	0.00	0.00	(0.00)	0.00
<b>Total current liabilities</b>	<b>4,272.83</b>	<b>2.27</b>	<b>4,275.10</b>	<b>-</b>	<b>4,275.10</b>
<b>TOTAL LIABILITIES</b>	<b>7,395.87</b>	<b>36.06</b>	<b>7,431.93</b>	<b>-</b>	<b>7,431.93</b>
<b>TOTAL EQUITIES AND LIABILITIES</b>	<b>11,183.95</b>	<b>120.30</b>	<b>11,304.24</b>	<b>-</b>	<b>11,304.24</b>

c) Reconciliation of Balance Sheet as on 31st March, 2019

Particulars	Regrouped IGAAP	Ind AS Adjustments	Ind AS	Restatement Adjustment	Restated Ind AS
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	2,362.33	185.10	2,547.42	0.00	2,547.42
Capital work-in-progress	1,213.88	0.00	1,213.88	-	1,213.88
<b>Financial assets</b>					
Investments	15.16	-	15.16	-	15.16
Other financial assets	135.16	-	135.16	-	135.16
Other non-current assets	192.75	(11.22)	181.53	-	181.53
<b>Total non-current assets</b>	<b>3,919.28</b>	<b>173.87</b>	<b>4,093.15</b>	<b>0.00</b>	<b>4,093.15</b>
<b>Current assets</b>					
Inventories	2,640.44	0.00	2,640.44	-	2,640.44
<b>Financial assets</b>					
Trade receivables	1,740.57	(34.81)	1,705.76	-	1,705.76
Cash and cash equivalents	12.89	0.00	12.89	-	12.89
Bank balances other than cash and cash equivalents	54.36	-	54.36	-	54.36
Other financial assets	3.18	-	3.18	-	3.18
Other current assets	111.52	0.00	111.52	(0.00)	111.52
<b>Total current assets</b>	<b>4,562.95</b>	<b>(34.81)</b>	<b>4,528.13</b>	<b>(0.00)</b>	<b>4,528.13</b>
<b>TOTAL ASSETS</b>	<b>8,482.23</b>	<b>139.06</b>	<b>8,621.29</b>	<b>(0.00)</b>	<b>8,621.29</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Equity share capital	648.00	-	648.00	-	648.00
Other Equity	2,376.85	139.75	2,516.60	-	2,516.60
<b>Total Equity</b>	<b>3,024.85</b>	<b>139.75</b>	<b>3,164.60</b>	<b>-</b>	<b>3,164.60</b>
<b>Non-current liabilities</b>					
<b>Financial liabilities</b>					
Borrowings	1,166.75	(426.57)	740.18	-	740.18
Long term provisions	14.55	5.10	19.65	-	19.65
Deferred Tax Liabilities (Net)	166.80	9.64	176.44	-	176.44
<b>Total non-current liabilities</b>	<b>1,348.10</b>	<b>(411.83)</b>	<b>936.27</b>	<b>-</b>	<b>936.27</b>
<b>Current liabilities</b>					
<b>Financial liabilities</b>					
Borrowings	2,438.42	426.57	2,864.99	-	2,864.99
Trade payables					
i) Total outstanding dues of MSME	3.34	-	3.34	-	3.34
i) Total outstanding dues of creditors other than MSME	1,186.79	-	1,186.79	-	1,186.79
Other financial liabilities	387.58	-	387.58	-	387.58
Other current liabilities	65.89	0.00	65.89	-	65.89
Short term Provisions	0.00	0.92	0.92	-	0.92
Current tax liabilities (net)	27.26	(16.34)	10.92	-	10.92
<b>Total current liabilities</b>	<b>4,109.28</b>	<b>411.15</b>	<b>4,520.42</b>	<b>-</b>	<b>4,520.42</b>
<b>TOTAL LIABILITIES</b>	<b>5,457.38</b>	<b>(0.69)</b>	<b>5,456.69</b>	<b>-</b>	<b>5,456.69</b>
<b>TOTAL EQUITIES AND LIABILITIES</b>	<b>8,482.23</b>	<b>139.06</b>	<b>8,621.29</b>	<b>-</b>	<b>8,621.29</b>

d) Reconciliation of Balance Sheet as on 31st March, 2018

Particulars	Regrouped IGAAP	Ind AS Adjustments	Ind AS	Restatement Adjustment	Restated Ind AS
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	2,466.08	209.62	2,675.70	-	2,675.70
Capital work-in-progress	574.21	-	574.21	-	574.21
<b>Financial assets</b>					
Investments	15.16	-	15.16	-	15.16
Other financial assets	96.42	-	96.42	-	96.42
Other non-current assets	15.86	0.00	15.86	(0.00)	15.86
<b>Total non-current assets</b>	<b>3,167.74</b>	<b>209.62</b>	<b>3,377.36</b>	<b>(0.00)</b>	<b>3,377.36</b>
<b>Current assets</b>					
Inventories	2,344.23	-	2,344.23	0.00	2,344.23
<b>Financial assets</b>					
Trade receivables	1,869.34	(37.39)	1,831.95	0.00	1,831.95
Cash and cash equivalents	58.08	0.00	58.08	0.00	58.08
Bank balances other than cash and cash equivalents	0.00	-	-	-	-
Other financial assets	6.63	-	6.63	-	6.63
Other current assets	199.63	4.78	204.41	-	204.41
<b>Total current assets</b>	<b>4,477.91</b>	<b>(32.61)</b>	<b>4,445.30</b>	<b>0.00</b>	<b>4,445.30</b>
<b>TOTAL ASSETS</b>	<b>7,645.65</b>	<b>177.01</b>	<b>7,822.66</b>	<b>0.00</b>	<b>7,822.66</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Equity share capital	405.00	-	405.00	-	405.00
Other Equity	2,135.53	196.57	2,332.09	-	2,332.09
<b>Total Equity</b>	<b>2,540.53</b>	<b>196.57</b>	<b>2,737.09</b>	<b>-</b>	<b>2,737.09</b>
<b>Non-current liabilities</b>					
<b>Financial liabilities</b>					
Borrowings	959.79	-	959.79	-	959.79
Long term provisions	13.01	5.54	18.54	-	18.54
Deferred Tax Liabilities (Net)	165.29	35.23	200.52	-	200.52
<b>Total non-current liabilities</b>	<b>1,138.09</b>	<b>40.77</b>	<b>1,178.85</b>	<b>-</b>	<b>1,178.85</b>
<b>Current liabilities</b>					
<b>Financial liabilities</b>					
Borrowings	2,377.20	-	2,377.20	-	2,377.20
Trade payables					
i) Total outstanding dues of MSME	2.74	-	2.74	-	2.74
i) Total outstanding dues of creditors other than MSME	995.70	-	995.70	-	995.70
Other financial liabilities	456.63	-	456.63	-	456.63
Other current liabilities	19.47	-	19.47	-	19.47
Short term Provisions	0.00	1.44	1.44	-	1.44
Current tax liabilities (net)	115.30	(61.76)	53.53	-	53.53
<b>Total current liabilities</b>	<b>3,967.03</b>	<b>(60.33)</b>	<b>3,906.71</b>	<b>-</b>	<b>3,906.71</b>
<b>TOTAL LIABILITIES</b>	<b>5,105.12</b>	<b>(19.56)</b>	<b>5,085.56</b>	<b>-</b>	<b>5,085.56</b>
<b>TOTAL EQUITIES AND LIABILITIES</b>	<b>7,645.65</b>	<b>177.01</b>	<b>7,822.66</b>	<b>-</b>	<b>7,822.66</b>

**D Effect of IND AS adoption on the Statement of Profit & Loss**

**a) Statement of Profit & Loss for nine months ended 31st December , 2020**

Particulars	Regrouped IGAAP	Ind AS Adjustments	Ind AS	Restatement Adjustment	Restated Ind AS
<b>Revenue:</b>					
Revenue from operations (net)			11,782.98	-	11,782.98
Other income			24.57	-	24.57
<b>Total revenue</b>			<b>11,807.55</b>	<b>-</b>	<b>11,807.55</b>
<b>Expenses:</b>					
Cost of material Consumed			7,877.55	-	7,877.55
Purchase of stock-in-trade			515.06	-	515.06
Changes in inventories of Finished goods, work-in-progress, Stock in Trade			133.45	-	133.45
Manufacturing expenses			1,279.19	-	1,279.19
Employee benefit expenses			505.07	-	505.07
Finance costs			392.12	-	392.12
Depreciation and amortization expense			324.27	-	324.27
Other expenses			257.41	0.00	257.41
<b>Total Expenses</b>		<b>-</b>	<b>11,284.12</b>	<b>0.00</b>	<b>11,284.12</b>
<b>Profit/(loss) before exceptional, extraordinary items &amp; tax</b>		<b>-</b>	<b>523.43</b>	<b>(0.00)</b>	<b>523.43</b>
<b>Exceptional Items/ Extraordinary items</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit/(loss) before tax</b>		<b>-</b>	<b>523.43</b>	<b>0.00</b>	<b>523.43</b>
<b>Tax expense :</b>					
(i) Current tax			87.37	-	87.37
(ii) MAT Credit Entitlement			(17.89)	-	(17.89)
(ii) Deferred Tax			28.83	-	28.83
<b>Total tax expense</b>		<b>-</b>	<b>98.30</b>	<b>-</b>	<b>98.30</b>
<b>Profit/(loss) For the year</b>		<b>-</b>	<b>425.12</b>	<b>0.00</b>	<b>425.12</b>
<b>Other Comprehensive Income</b>					
(a) Gain (Loss) on Remeasurement of Defined Benefit Plans			(2.14)	-	(2.14)
(b ) Income Tax relating to above items			0.60	-	0.60
<b>Other Comprehensive Income for the period/year</b>		<b>-</b>	<b>(1.54)</b>	<b>-</b>	<b>(1.54)</b>
<b>Total Comprehensive Income for the year</b>		<b>-</b>	<b>423.58</b>	<b>0.00</b>	<b>423.58</b>



**b) Statement of Profit & Loss for year ended 31st March, 2020**

Particulars	Regrouped IGAAP	Ind AS Adjustments	Ind AS	Restatement Adjustment	Restated Ind AS
<b>Revenue:</b>					
Revenue from operations (net)	10,359.10	-	10,359.10	-	10,359.10
Other income	33.63	5.72	39.35	-	39.35
<b>Total revenue</b>	<b>10,392.73</b>	<b>5.72</b>	<b>10,398.45</b>	<b>-</b>	<b>10,398.45</b>
<b>Expenses:</b>					
Cost of material Consumed	7,154.32	0.00	7,154.32	-	7,154.32
Purchase of stock-in-trade	530.32	0.00	530.32	-	530.32
Changes in inventories of Finished goods, work-in-progress, Stock in Trade	-421.73	(0.00)	(421.73)	-	(421.73)
Manufacturing expenses	1,191.58	(0.00)	1,191.58	-	1,191.58
Employee benefit expenses	607.63	(6.19)	601.44	-	601.44
Finance costs	370.81	(0.00)	370.81	-	370.81
Depreciation and amortization expense	305.81	26.39	332.20	-	332.20
Other expenses	248.26	13.67	261.93	-	261.93
<b>Total Expenses</b>	<b>9,986.98</b>	<b>33.88</b>	<b>10,020.86</b>	<b>-</b>	<b>10,020.86</b>
<b>Profit/(loss) before exceptional, extraordinary items &amp; tax</b>	<b>405.75</b>	<b>(28.16)</b>	<b>377.58</b>	<b>-</b>	<b>377.58</b>
<b>Exceptional Items/ Extraordinary items</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit/(loss) before tax</b>	<b>405.75</b>	<b>(28.16)</b>	<b>377.58</b>	<b>-</b>	<b>377.58</b>
<b>Tax expense :</b>					
(i) Current tax	77.09	(6.58)	70.51	-	70.51
(ii) MAT Credit Entitlement	0.00	-	-	-	-
(ii) Deferred Tax	6.34	26.47	32.80	-	32.80
<b>Total tax expense</b>	<b>83.43</b>	<b>19.89</b>	<b>103.32</b>	<b>-</b>	<b>103.32</b>
<b>Profit/(loss) For the year</b>	<b>322.32</b>	<b>(48.06)</b>	<b>274.26</b>	<b>-</b>	<b>274.26</b>
<b>Other Comprehensive Income</b>					
(a) Gain (Loss) on Remeasurement of Defined Benefit Plans	0.00	(0.16)	(0.16)	-	(0.16)
(b ) Income Tax relating to above items	0.00	0.05	0.05	-	0.05
<b>Other Comprehensive Income for the period/year</b>	<b>0.00</b>	<b>(0.12)</b>	<b>(0.12)</b>	<b>-</b>	<b>(0.12)</b>
<b>Total Comprehensive Income for the year</b>	<b>322.32</b>	<b>(48.17)</b>	<b>274.14</b>	<b>-</b>	<b>274.14</b>

c ) Statement of Profit & Loss for year ended 31st March, 2019

Particulars	Regrouped IGAAP	Ind AS Adjustments	Ind AS	Restatement Adjustment	Restated Ind AS
<b>Revenue:</b>					
Revenue from operations (net)	10,442.93	-	10,442.93	-	10,442.93
Other income	34.99	2.58	37.57	-	37.57
<b>Total revenue</b>	<b>10,477.92</b>	<b>2.58</b>	<b>10,480.50</b>	<b>-</b>	<b>10,480.50</b>
<b>Expenses:</b>					
Cost of material Consumed	7,462.66	(0.00)	7,462.66	-	7,462.66
Purchase of stock-in-trade	355.38	0.00	355.38	-	355.38
Changes in inventories of Finished goods, work-in-progress, Stock in Trade	-268.24	0.00	(268.24)	-	(268.24)
Manufacturing expenses	1,009.24	(0.00)	1,009.24	-	1,009.24
Employee benefit expenses	547.09	1.66	548.75	-	548.75
Finance costs	306.20	(0.00)	306.19	-	306.19
Depreciation and amortization expense	233.75	24.52	258.28	-	258.28
Other expenses	233.76	11.22	244.98	-	244.98
<b>Total Expenses</b>	<b>9,879.84</b>	<b>37.41</b>	<b>9,917.25</b>	<b>-</b>	<b>9,917.25</b>
<b>Profit/(loss) before exceptional, extraordinary items &amp; tax</b>	<b>598.08</b>	<b>(34.83)</b>	<b>563.25</b>	<b>-</b>	<b>563.25</b>
<b>Exceptional Items/ Extraordinary items</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit/(loss) before tax</b>	<b>598.08</b>	<b>(34.83)</b>	<b>563.25</b>	<b>-</b>	<b>563.25</b>
<b>Tax expense :</b>					
(i) Current tax	167.26	(9.60)	157.66	-	157.66
(ii) MAT Credit Entitlement	0.00	4.78	4.78	-	4.78
(ii) Deferred Tax	1.52	(26.32)	(24.81)	-	(24.81)
<b>Total tax expense</b>	<b>168.78</b>	<b>(31.14)</b>	<b>137.63</b>	<b>-</b>	<b>137.63</b>
<b>Profit/(loss) For the year</b>	<b>429.31</b>	<b>(3.69)</b>	<b>425.62</b>	<b>-</b>	<b>425.62</b>
<b>Other Comprehensive Income</b>					
(a) Gain (Loss) on Remeasurement of Defined Benefit Plans	0.00	2.61	2.61	-	2.61
(b ) Income Tax relating to above items	0.00	(0.73)	(0.73)	-	(0.73)
<b>Other Comprehensive Income for the period/year</b>	<b>0.00</b>	<b>1.88</b>	<b>1.88</b>	<b>-</b>	<b>1.88</b>
<b>Total Comprehensive Income for the year</b>	<b>429.31</b>	<b>(1.80)</b>	<b>427.50</b>	<b>-</b>	<b>427.50</b>

**d ) Statement of Profit & Loss for year ended 31st March, 2018**

Particulars	Regrouped IGAAP	Ind AS Adjustments	Ind AS	Restatement Adjustment	Restated Ind AS
<b>Revenue:</b>					
Revenue from operations (net)	9,017.20	(0.00)	9,017.20	-	9,017.20
Other income	81.18	(0.41)	80.77	-	80.77
<b>Total revenue</b>	<b>9,098.38</b>	<b>(0.41)</b>	<b>9,097.97</b>	<b>-</b>	<b>9,097.97</b>
<b>Expenses:</b>					
Cost of material Consumed	6,078.47	(0.00)	6,078.47	-	6,078.47
Purchase of stock-in-trade	527.50	0.00	527.50	-	527.50
Changes in inventories of Finished goods, work-in-progress, Stock in Trade	(201.67)	-	(201.67)	-	(201.67)
Manufacturing expenses	989.23	-	989.23	-	989.23
Employee benefit expenses	505.62	0.69	506.31	-	506.31
Finance costs	262.46	-	262.46	-	262.46
Depreciation and amortization expense	238.00	20.61	258.61	-	258.61
Other expenses	157.91	4.59	162.50	(0.00)	162.50
<b>Total Expenses</b>	<b>8,557.51</b>	<b>25.89</b>	<b>8,583.40</b>	<b>(0.00)</b>	<b>8,583.40</b>
<b>Profit/(loss) before exceptional, extraordinary items &amp; tax</b>	<b>540.87</b>	<b>(26.30)</b>	<b>514.57</b>	<b>0.00</b>	<b>514.57</b>
<b>Exceptional Items/ Extraordinary items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit/(loss) before tax</b>	<b>540.87</b>	<b>(26.30)</b>	<b>514.57</b>	<b>0.00</b>	<b>514.57</b>
<b>Tax expense :</b>					
(i) Current tax	166.68	(61.76)	104.91	-	104.91
(ii) MAT Credit Entitlement	0.00	(4.78)	(4.78)	-	(4.78)
(ii) Deferred Tax	15.80	(17.32)	(1.52)	-	(1.52)
<b>Total tax expense</b>	<b>182.48</b>	<b>(83.86)</b>	<b>98.62</b>	<b>-</b>	<b>98.62</b>
<b>Profit/(loss) For the year</b>	<b>358.39</b>	<b>57.55</b>	<b>415.95</b>	<b>0.00</b>	<b>415.95</b>
<b>Other Comprehensive Income</b>					
(a) Gain (Loss) on Remeasurement of Defined Benefit Plans	-	(6.29)	(6.29)	-	(6.29)
(b ) Income Tax relating to above items	-	2.08	2.08	-	2.08
<b>Other Comprehensive Income for the period/year</b>	<b>0.00</b>	<b>(4.21)</b>	<b>(4.21)</b>	<b>-</b>	<b>(4.21)</b>
<b>Total Comprehensive Income for the year</b>	<b>358.39</b>	<b>53.35</b>	<b>411.74</b>	<b>0.00</b>	<b>411.74</b>

**UMA CONVERTER LIMITED (Formerly known as Uma Converter Private Limited)**

CIN: U25111GJ1999PLC036163

**ANNEXURE - V: SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE RESTATED FINANCIAL STATEMENTS**

**42 Related party disclosures**

**A. Names of related parties and nature of relationship :**

**a) Related parties where control exists:**

S.No.	Relationship	Name
(i)	Associate	Shri Uma Plastic Industries Private Limited

**b) Key managerial personnel:**

S.No.	Relationship	Name
(i)	Chairman & Managing Director	Sumer Raj Lodha
(ii)	Director	Smt. Nirmala Lodha
(iii)	Director	Abhishek Lodha
(iv)	Chief Finance Officer	Ashish Bhandari
(v)	Company Secretary	Dhaval Patel
(vi)	Company Secretary	Parth Kamdar

**c) Relatives of Key Managerial Personnel:**

S.No.	Relationship	Name
(i)	Relative of Key Managerial Personnel	Sumer Raj Lodha HUF
(ii)	Relative of Key Managerial Personnel	Shraddha Lodha

**d) Transactions with related parties are as follows:**

**(Rs in Lakhs)**

S.No.	Nature of transaction	Year ended/Period ended	Associate	Key Managerial Personnel	Person with Interest by Key Managerial Personnel	Total
(i)	Rent	December 31, 2020	-	2.52	-	2.52
		March 31, 2020	-	3.36	-	3.36
		March 31, 2019	-	2.80	-	2.80
(ii)	Salary, allowances and bonus	December 31, 2020	-	105.96	9.00	114.97
		March 31, 2020	-	240.45	10.80	251.25
		March 31, 2019	-	237.74	10.80	248.54
		March 31, 2018	-	228.00	10.80	238.80
(iii)	Interest Expense	December 31, 2020	-	-	-	-
		March 31, 2020	-	38.53	6.88	45.41
		March 31, 2019	-	-	6.98	6.98
		March 31, 2018	-	-	8.57	8.57
(iv)	Sale of goods	December 31, 2020	-	-	-	-
		March 31, 2020	-	-	-	-
		March 31, 2019	-	-	-	-
		March 31, 2018	1.87	-	-	1.87
(v)	Borrowings taken	December 31, 2020	-	114.50	-	114.50
		March 31, 2020	-	545.26	-	545.26
		March 31, 2019	-	40.19	-	40.19
		March 31, 2018	-	33.75	-	33.75
(vi)	Borrowings Repayment	December 31, 2020	-	50.77	-	50.77
		March 31, 2020	-	187.51	57.33	244.84
		March 31, 2019	-	31.74	7.53	39.27
		March 31, 2018	-	285.76	28.25	314.00

**e) Balances outstanding are as follows:**

S.No.	Nature of transaction	As at	Associate	Key Managerial Personnel	Person with Interest by Key Managerial Personnel	Total
(i)	Borrowings	December 31, 2020	-	483.67	-	483.67
		March 31, 2020	-	419.93	-	419.93
		March 31, 2019	-	62.18	57.33	119.52
		March 31, 2018	-	53.73	58.58	112.32
(v)	Payables	December 31, 2020	-	0.28	-	0.28

43 DETAILS OF ACCOUNTING RATIOS AS RESTATED

(Rs. In Lakhs except share and ratios data)

Particulars	For the period ended December 31, 2020	For the year ended March 31,		
		2020	2019	2018
Restated Profit for the period/year(A)	425.12	274.26	425.62	415.95
Tax Expense (B)	98.30	103.32	137.63	98.62
Depreciation and amortization expense (C)	324.27	332.20	258.28	258.61
Interest Cost (D)	319.53	346.99	283.02	239.70
Weighted Average Number of Equity Shares at the end of the period/year				
-Pre-Bonus (E)	1,46,94,286	1,32,11,447	52,74,985	35,65,068
-Post-Bonus <sup>1</sup> (F)	1,46,94,286	1,36,36,365	1,29,59,996	1,14,08,219
Number of Equity Shares outstanding at the end of the Year/ period (G)	1,46,94,286	1,46,94,286	64,79,998	40,49,999
Nominal Value per Equity share (₹) (H)	10.00	10.00	10.00	10.00
Restated Net Worth of Equity Share Holders as per Statement of Assets and Liabilities (I)	4,295.89	3,872.31	3,164.60	2,737.09
Right Factor <sup>2</sup> (For Right Issues made) (J)	-	-	1.00	1.00
Earnings Per Share - Basic & Diluted <sup>3</sup> (₹) - Pre-Bonus	2.89	2.08	8.07	11.67
Earnings Per Share - Basic & Diluted <sup>3</sup> (₹) - Post-Bonus	2.89	2.01	3.28	3.65
Earnings Per Share - Basic & Diluted <sup>3</sup> (₹) - Pre-Bonus (Restated for Right Issue)	2.89	2.08	8.09	11.70
Earnings Per Share - Basic & Diluted <sup>3</sup> (₹) - Post-Bonus (Restated for Right Issue)	2.89	2.01	3.29	3.66
Return on Net Worth <sup>3</sup> (%)	0.10	0.07	0.13	0.15
Net Asset Value Per Share <sup>3</sup> (₹)	29.24	26.35	48.84	67.58
Earning before Interest, Tax and Depreciation and Amortization <sup>4</sup> (EBITDA)	1,167.22	1,056.76	1,104.55	1,012.88

Notes -

- The Company has issued bonus shares in the ratio of 6:10 on September 28, 2018 and in the ratio of 1:1 on April 24, 2019.
- The Company has issued shares via right issue on March 21, 2020 at the rate of Rs. 25 each.
- Ratios have been calculated as below:

$$\text{Earnings Per Share (₹) (Pre-Bonus):} = \frac{A}{E}$$

$$\text{Earnings Per Share (₹) (Post-Bonus):} = \frac{A}{F}$$

$$\text{Earnings Per Share (₹) (Pre-Bonus) (Restated for Right Issue):} = \frac{A}{E \times J}$$

$$\text{Earnings Per Share (₹) (Post-Bonus) (Restated for Right Issue):} = \frac{A}{F \times J}$$

$$\text{Return on Net Worth (%):} = \frac{A}{I}$$

$$\text{Net Asset Value per equity share (₹):} = \frac{I}{G}$$

4. Earning before Interest, Tax and Depreciation and Amortization (EBITDA):

$$A + (B+C+D)$$

**UMA CONVERTER LIMITED (Formerly known as Uma Converter Private Limited)**

CIN: U25111GJ1999PLC036163

**ANNEXURE - V: SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE RESTATED FINANCIAL STATEMENTS****44 Capitalisation Statement as at December 31, 2020**

Particulars	(Rs. In Lakhs)	
	Pre Issue	Post Issue
<b>Borrowings</b>		
Current Borrowings (A)	3,036.55	-
Non-Current Borrowings (including current maturity) (B)	3,786.55	-
<b>Total Borrowings (C = A+B)</b>	<b>6,823.10</b>	-
<b>Shareholders' funds</b>		
Equity Share Capital (C)	1,469.43	-
Other Equity (D)	10.46	-
<b>Total Equity (E = C+D)</b>	<b>1,479.89</b>	-
<b>Non-Current Borrowings / Total Equity (F = B / E)</b>	2.56	-
<b>Total Borrowings / Total Equity (G = C / E)</b>	4.61	-

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations, and our assessment of the factors that may affect our prospects and performance in future periods, together with our Restated Financial Statements for the period ended December 31, 2020 and financial years ended March 31, 2020, 2019 and 2018 including the notes thereto and reports thereon, each included in this Draft Red Herring Prospectus.

While we have historically prepared our financial statements in accordance with Indian GAAP, in accordance with applicable law, we have transitioned our financial reporting from Indian GAAP to Ind AS, with April 1, 2017 as the transition date. This section includes a discussion of financial results for Period ended December 31, 2020 which were prepared under Ind AS and financial year ended on March 31, 2020, 2019 and 2018 which were originally prepared under the Indian GAAP. For the purposes of transition to Ind AS, we have followed the guidance prescribed in "Ind AS 101 - First Time adoption of Indian Accounting Standard". The Restated Financial Statements, prepared and presented in accordance with Ind AS and in accordance with the requirements of Section 26 of the Companies Act, 2013, the SEBI ICDR Regulations and the "Guidance Note on Reports in Company Prospectus (Revised 2019)" issued by the ICAI.

Ind AS differs in certain material respects from Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which our financial statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS. As a result, the Restated Financial Information Statements may not be comparable to our historical financial statements. For a reconciliation of Indian GAAP to Ind AS, please refer Note 41 pertaining to reconciliation between Indian GAAP and IND AS in the section titled "Financial Statements" on page 205.

This discussion and analysis contains forward-looking statements that reflect our current views with respect to future events and our financial performance, which are subject to numerous risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements. You should also read "Forward-Looking Statements" and "Risk Factors" on Pages 19 and 26, respectively, which discuss a number of factors and contingencies that could affect our business, financial condition and results of operations. Our Financial Year ends on March 31 of each year and accordingly, references to Financial Year, are to the 12-month period ended March 31 of the relevant year.

### RESULTS OF OPERATIONS

Particulars	Period ended December 31, 2020		Financial Year ended March 31, 2020		Financial Year ended March 31, 2019		Financial Year ended March 31, 2018	
	in Lacs	%	in Lacs	%	in Lacs	%	in Lacs	%
<b>i. Sale of products and services</b>								
a. Finished goods	11,200.19	94.86	9,762.59	93.88	10,024.95	95.65	8,729.91	95.95
b. Traded goods	533.07	4.51	552.14	5.31	355.38	3.39	524.68	5.77
Less: Excise Duty	-	-	-	-	-	-	(266.60)	-2.93
<b>Total revenue from sale of products</b>	<b>11,733.26</b>	<b>99.37</b>	<b>10,314.73</b>	<b>99.19</b>	<b>10,380.33</b>	<b>99.04</b>	<b>8,987.99</b>	<b>98.79</b>
<b>ii. Sale of services</b>								
Job work charges	45.43	0.38	39.44	0.38	58.75	0.56	26.06	0.29
Other operating revenues	4.29	0.04	4.93	0.05	3.85	0.04	3.15	0.03
<b>Total Revenue from Operations (i + ii)</b>	<b>11,782.98</b>	<b>99.79</b>	<b>10,359.10</b>	<b>99.62</b>	<b>10,442.93</b>	<b>99.64</b>	<b>9,017.20</b>	<b>99.11</b>
<b>iii. Total Other Income</b>	24.57	0.21	39.35	0.38	37.57	0.36	80.77	0.89
<b>Total Income (i+ii+iii)</b>	<b>11,807.55</b>	<b>100.00</b>	<b>10,398.45</b>	<b>100.00</b>	<b>10,480.50</b>	<b>100.00</b>	<b>9,097.97</b>	<b>100.00</b>

The major source of company revenue is from selling of finished goods.

For nine months period ended December 31, 2020, our Company clocked sales figure for finished goods of ₹11,200.19 lacs and for traded goods ₹533.07 lacs. Total revenue from sale of products were at ₹11,733.26 lacs. Our Company provided service through job work for ₹45.43 lacs where other income of our Company were at ₹24.57 lacs during this period. Our Company's total income has reached to ₹11,807.55 lacs for nine months period ended December 31, 2020.

Our Company's total income has seen a steady increase from ₹9,097.97 lacs in FY 2018 to ₹10,480.50 lacs in FY 2019 while in FY 2020, there is minor decline in total income at ₹10,398.45 lacs. The growth in FY 2019 over FY 2018 is 15.20%, while there is decline in growth in total income of FY 2020 over FY 2019 by -0.78%.

The finished goods of our Company clocked a sales figure of ₹8,729.91 lacs in FY 2018 and grew by 14.83% in FY 2019 to ₹10,024.95 lacs. There is decline in finished goods sales of FY 2020 by -2.61% over FY 2019 clocking a finished goods sales revenue of ₹9,762.59 lacs.

The traded goods of our Company clocked a sales figure of ₹524.68 lacs in FY 2018 and showed decline in FY 2019 by -32.27% to ₹355.38 lacs. Our Company clocked a traded goods sales figure of ₹552.14 lacs in FY 2020 showing growth by 55.37% against FY 2019.

Our Company paid Excise duty of ₹266.60 lacs in FY 2018.

The revenue from sales of products of our Company clocked a figure of ₹8,987.99 lacs in FY 2018 and grew by 15.49% in FY 2019 to ₹10,380.33 lacs. There is decline in revenue from sales of products of FY 2020 by -0.63% over FY 2019 clocking a figure of ₹10,314.73 lacs.

Job Work charges revenue in FY 2018 were at ₹26.06 lacs which grew by 125.44% in FY 2019 to ₹58.75 lacs. In FY 2020 the same declined by -32.87% to clock revenue of ₹39.44 lacs against FY 2019.

Other operating revenue income in FY 2018 were at ₹3.15 lacs which grew by 22.22% in FY 2019 to ₹3.85 lacs. The same in FY 2020 were at ₹4.93 lacs which grew by 28.05% against FY 2019.

The revenue from operations of our Company clocked a figure of ₹9,017.20 lacs in FY 2018 and grew by 15.81% in FY 2019 to ₹10,442.93 lacs. There is decline in revenue from sales of products of FY 2020 by -0.80% over FY 2019 clocking a figure of ₹10,359.10 lacs.

The other income of our Company clocked a figure of ₹80.77 lacs in FY 2018 and declined by -53.49% in FY 2019 to ₹37.57 lacs. There is growth in other income of FY 2020 by 4.74% over FY 2019 clocking a figure of ₹39.35 lacs.

Particulars	Period ended December 31, 2020		Financial Year ended March 31, 2020		Financial Year ended March 31, 2019		Financial Year ended March 31, 2018	
	in Lacs	% of Revenue	in Lacs	% of Revenue	in Lacs	% of Revenue	in Lacs	% of Revenue
<b>Income</b>								
Revenue from Operations	11,782.98	99.79	10,359.10	99.62	10,442.93	99.64	9,017.20	99.11
Other income	24.57	0.21	39.35	0.38	37.57	0.36	80.77	0.89
<b>Total Revenue</b>	<b>11,807.55</b>	<b>100.00</b>	<b>10,398.45</b>	<b>100.00</b>	<b>10,480.50</b>	<b>100.00</b>	<b>9,097.97</b>	<b>100.00</b>
<b>Expenses</b>								
Cost of materials consumed	7,877.55	66.72	7,154.32	68.80	7,462.66	71.21	6,078.47	66.81
Purchase of Stock in trade	515.06	4.36	530.32	5.10	355.38	3.39	527.50	5.80
Changes in inventories of finished goods and work-in-progress	133.45	1.13	(421.73)	-4.06	(268.24)	-2.56	(201.67)	-2.22
Manufacturing expenses	1,279.19	10.83	1,191.58	11.46	1,009.24	9.63	989.23	10.87
Employee benefits expense	505.07	4.28	601.44	5.78	548.75	5.24	506.31	5.57
Finance costs	392.12	3.32	370.81	3.57	306.19	2.92	262.46	2.88
Depreciation and amortisation expense	324.27	2.75	332.20	3.19	258.28	2.46	258.61	2.84
Other expenses	257.41	2.18	261.93	2.52	244.98	2.34	162.50	1.79
<b>Total Expenses</b>	<b>11,284.12</b>	<b>95.57</b>	<b>10,020.86</b>	<b>96.37</b>	<b>9,917.25</b>	<b>94.63</b>	<b>8,583.40</b>	<b>94.34</b>
<b>Profit before tax</b>	<b>523.43</b>	<b>4.43</b>	<b>377.58</b>	<b>3.63</b>	<b>563.25</b>	<b>5.37</b>	<b>514.57</b>	<b>5.66</b>
<b>Tax Expenses</b>								
Current Tax	87.37	0.74	70.51	0.68	157.66	1.50	104.91	1.15
MAT Credit Entitlement	(17.89)	-0.15	-	-	4.78	0.05	(4.78)	-0.05
Deferred Tax	28.83	0.24	32.80	0.32	(24.81)	-0.24	(1.52)	-0.02



Particulars	Period ended		Financial Year ended		Financial Year ended		Financial Year ended	
	December 31, 2020		March 31, 2020		March 31, 2019		March 31, 2018	
	in Lacs	% of Revenue	in Lacs	% of Revenue	in Lacs	% of Revenue	in Lacs	% of Revenue
<b>Net Profit for the year</b>	<b>425.12</b>	<b>3.60</b>	<b>274.27</b>	<b>2.64</b>	<b>425.62</b>	<b>4.06</b>	<b>415.95</b>	<b>4.57</b>
Other comprehensive Income	(1.54)	-0.01	(0.12)	0.00	1.88	0.02	(4.21)	-0.05
<b>Total comprehensive Income</b>	<b>423.58</b>	<b>3.59</b>	<b>274.15</b>	<b>2.64</b>	<b>427.51</b>	<b>4.08</b>	<b>411.74</b>	<b>4.53</b>

#### *Cost of materials consumed*

Cost of materials consumed comprises of raw material costs incurred to manufacture our products. The key raw material used for manufacturing our products is polymer which are used in the form of polyester, low-density polyethylene (“LDPE”), polyethylene terephthalate (“PET”), biaxially-oriented polypropylene (“BOPP”), polythene (“PE”), cast polypropylene (“CPP”) and metallized polyester film in our manufacturing process. Raw materials consumed represent a significant majority of our total expenditure. Cost of materials consumed accounted for 68.80%, 71.21% and 66.81% of our total revenue for the FY 2020, FY 2019 and FY 2018, respectively.

#### *Purchase of Stock in trade*

Our Company is also engaged into trading of products where purchase of stock in trade accounted for 5.10%, 3.39% and 5.80% of our total revenue for the FY 2020, FY 2019 and FY 2018, respectively.

#### *Changes in inventories of finished goods and work-in-progress*

Changes in inventories of finished goods and work-in-progress consists of costs attributable to an increase or decrease in inventory levels during the relevant financial period in finished goods and work-in progress. Changes in inventories of finished goods and work-in-progress accounted for (4.06)%, (2.56)% and (2.22)% of our total revenue for the FY 2020, FY 2019 and FY 2018, respectively.

#### *Manufacturing expenses*

Manufacturing expenses includes majorly power and fuel expense, contract labour, packing material consumed, stores, spares and maintenance expense, repairs and maintenance, cylinder consumption expense, rent of machineries etc. accounted for 11.46%, 9.63% and 10.87% of our total revenue for the FY 2020, FY 2019 and FY 2018, respectively.

#### *Employee benefits expense*

Employee benefits expense includes (i) salaries and wages, including bonus and allowances; (ii) contribution to provident fund and other funds, (iii) canteen expense and staff welfare, and (iv) gratuity expenses. Employee benefits expense accounted for 5.78%, 5.24% and 5.57% of our total revenue for the FY 2020, FY 2019 and FY 2018, respectively.

#### *Finance costs*

Finance cost include interest expense, bank commission & charges and exchange rate fluctuation expenses. Finance costs accounted for 3.57%, 2.92% and 2.88% of our total revenue for the FY 2020, FY 2019 and FY 2018, respectively.

#### *Depreciation and amortization expenses*

Depreciation represents depreciation on our property, plant and equipment. Amortization represents amortization of right of use assets and intangible assets. Depreciation is calculated on written down value method over the estimated useful life of all assets, these lives are in accordance with Schedule II to the Companies Act, 2013. The estimated useful lives, residual value and depreciation method are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on prospective basis.

Depreciation and amortization expense accounted for 3.19%, 2.46% and 2.84% of our total revenue for the FY 2020, FY 2019 and FY 2018, respectively.

### *Other expenses*

Other expenses majorly include freight outward, office expenses, insurance premium, vehicle expenses, legal & consulting expenses, rent, rates & taxes, selling & distribution expenses, discount on sales, etc. Other expenses accounted for 2.52%, 2.34% and 1.79% of our total revenue for the FY 2020, FY 2019 and FY 2018, respectively.

### **Review for the period ended December 31, 2020**

#### ***Total revenue***

Our total revenue were at ₹11,807.55 lacs during the period.

#### ***Revenue from Operations***

Our revenue from operations were at ₹11,782.98 lacs consisting 99.79% of total revenue of the company during the period.

#### ***Other Income***

Our other income were at ₹24.57 lacs consisting 0.21% of total revenue of the company during the period.

#### ***Expenditure***

Total expenses were at ₹11,284.12 lacs consisting 95.57% of total revenue of the company during the period where major factors for expenses were cost of material consumed, manufacturing expenses, purchase of stock-in-trade, employee benefit expenses, finance costs, depreciation and amortization expense, changes in inventories for finished goods and work-in-progress and other expenses.

#### ***Cost of materials consumed***

Cost of raw materials consumed were at ₹7,877.55 lacs consisting 66.72% of total revenue of the company during the period.

#### ***Purchase of Stock-in-trade***

Purchase of stock-in-trade were at ₹515.06 lacs consisting 4.36% of total revenue of the company during the period.

#### ***Changes in inventories of finished goods and work-in-progress***

Changes in inventories of finished goods and work-in-progress were at ₹133.45 lacs consisting 1.13% of total revenue of the company during the period where inventory of semi-finished goods play vital role.

#### ***Manufacturing expenses***

Manufacturing expenses were at ₹1,279.19 lacs consisting 10.83% of total revenue of the company during the period. This primarily contains stores, spares and maintenance expense, packing material consumption, cylinder consumption, power and fuel expense, factory general expense, freight and inward expense, job charges payment, rent of machineries, contract labour expense, clearing and forwarding expenses, testing expenses, security charges, repair & maintenance charges and other manufacturing expenses.

#### ***Employee benefits expense***

Employee benefits expense were at ₹505.07 lacs consisting 4.28% of total revenue of the company during the period where salaries, wages, bonus and other allowances; gratuity; contribution to PF and ESI and canteen expenses and staff welfare are main expenses.

#### *Finance costs*

Finance costs were at ₹392.12 lacs consisting 3.32% of total revenue of the company during the period during the period where interest payments and bank commission & charges are major component.

#### *Depreciation and amortisation expense*

Our depreciation and amortization expense were at ₹324.27 lacs consisting 2.75% of total revenue of the company during the period.

#### *Other expenses*

Other expenses were at ₹257.41 lacs consisting 2.18% of total revenue of the company during the period.

#### *Profit before tax*

Our profit before tax was at ₹523.43 lacs consisting 4.43% of total revenue of the company during the period.

#### *Tax expense*

Our total tax expense were at ₹98.30 lacs consisting 0.83% of total revenue of the company during the period.

#### *Profit*

Our company's profit was at ₹425.12 lacs consisting 3.60% of total revenue of the company during the period.

### **Financial Year 2020 compared with Financial Year 2019**

#### *Total revenue*

Our total revenue decreased by ₹82.05 lacs or changed by -0.78% from ₹10,480.50 lacs in the FY 2019 to ₹10,398.45 lacs in the FY 2020. This was primarily due to decrease in our revenue from operations, and aided by minor increase in other income as well.

#### *Revenue from Operations*

Our revenue from operations decreased by ₹83.83 lacs or changed by -0.80% from ₹10,442.93 lacs in FY 2019 to ₹10,359.10 lacs in FY 2020. This decrease was primarily driven by decrease in sales of finished products and also decrease in job work charges.

#### *Other Income*

Our other income increased by ₹1.78 lacs or changed by 4.74% from ₹37.57 lacs in FY 2019 to ₹39.35 lacs in FY 2020. This increase was majorly driven by net gain on exchange rate fluctuation, reversal of excess allowance for expected credit loss and misc. income.

#### *Expenditure*

Total expenses increased by ₹103.61 lacs or changed by 1.04% from ₹9,917.25 lacs in FY 2019 to ₹10,020.86 lacs in FY 2020. This increase was primarily driven by purchase of stock in trade, changes in inventory of finished goods and work-in progress, manufacturing expenses, employee benefit expenses, finance costs, depreciation and amortization expense and other expenses.

#### *Cost of materials consumed*

Cost of raw materials consumed decreased by ₹308.34 lacs or changed by -4.13% from ₹7,462.66 lacs in FY 2019 to ₹7,154.32 lacs in FY 2020 on account of lower inventory at the beginning of the year and lesser purchases. Cost of materials consumed as a percentage of total revenue also declined from 71.21% in FY 2019 to 68.80% in FY 2020 due to less consumption of raw material and other relevant factors.

#### *Purchase of Stock-in-trade*

Purchase of stock-in-trade increased by ₹174.94 lacs or changed by 49.23% from ₹355.38 lacs in FY 2019 to ₹530.32 lacs in FY 2020. This was in tune with the management's decision to ensure enhanced production and managing continuity of production without any disruption arising from supply chain and logistics issues due to COVID-19 pandemic situation.

#### *Changes in inventories of finished goods and work-in-progress*

Changes in inventories of finished goods and work-in-progress decreased by ₹153.49 lacs from ₹(268.24) lacs in FY 2019 to ₹(421.73) lacs in FY 2020. This was primarily attributable to more inventory of semi-finished goods at the end of the year.

#### *Manufacturing expenses*

Manufacturing expenses increased by ₹182.34 lacs or changed by 18.07% from ₹1,009.24 lacs in FY 2019 to ₹1,191.58 lacs in FY 2020. This was primarily due to a higher stores, spares and maintenance expense, higher packing material consumption, more cylinder consumption, more power and fuel expense, higher factory general expense, higher freight and inward expense, high rent of machineries, higher contract labour expense, more clearing and forwarding expenses, high testing expenses, and high security charges. Manufacturing expenses contributed 9.63% of the total revenues for the FY 2019 vis-à-vis 11.46% of the total revenues for the FY 2020.

#### *Employee benefits expense*

Employee benefits expense increased by ₹52.69 lacs or changed by 9.60% from ₹548.75 lacs in FY 2019 to ₹601.44 lacs in FY 2020. This was primarily due to a higher salaries, wages, bonus and other allowances; increase in gratuity; more contribution to PF and ESI and higher canteen expenses and staff welfare. Employee benefit expenses contributed 5.24% of the total revenues for the FY 2019 vis-à-vis 5.78% of the total revenues for the FY 2020.

#### *Finance costs*

Finance costs increased by ₹64.62 lacs or changed by 21.10% from ₹306.19 lacs in FY 2019 to ₹370.81 lacs in FY 2020. This increase in finance costs was primarily on account of higher interest cost and more bank commission and charges. As a percentage of total revenue, Finance costs contributed 3.57% of the total revenues for the FY 2020 vis-à-vis 2.92% of the total revenues for the Financial Year 2019.

#### *Depreciation and amortisation expense*

Our depreciation and amortization expense increased by ₹73.92 lacs or changed by 28.62%, from ₹258.28 lacs in FY 2019 to ₹332.20 lacs in FY 2020. The increase in depreciation was primarily due to purchase of plant & machinery and office equipment in FY 2020.

#### *Other expenses*

Other expenses increased by ₹16.95 lacs or changed by 6.92% from ₹244.98 lacs in FY 2019 to ₹261.93 lacs in FY 2020. This was primarily due to main increase in Audit fees, CSR expenses, rent, rates and taxes, freight outwards, selling and distribution expenses, office expenses and travelling expenses.

#### *Profit before tax*

In light of above discussions, our profit before tax decreased by ₹185.67 lacs or changed by -32.96% from ₹563.25 lacs in FY 2019 to ₹377.58 lacs in FY 2020. This was largely driven by purchase of stock-in-trade, changes in inventory of finished goods and work-in-progress, finance costs, manufacturing expense, depreciation and amortisation expense and other expenses.

#### ***Tax expense***

Our total tax expense decreased by ₹34.32 lacs or changed by -24.94% from ₹137.63 lacs in FY 2019 to ₹103.31 lacs in FY 2020. This was largely driven by a decrease in current tax in FY 2020.

#### ***Profit***

For the various reasons discussed above and following adjustments for tax expense, we recorded decrease in our profit by ₹151.35 lacs or change by -35.56% from ₹425.62 lacs in FY 2019 to ₹274.27 lacs in FY 2020. Profit after tax as a percentage of total revenue stood at 2.64% for FY 2020 versus 4.06% for FY 2019.

### **Financial Year 2019 compared with Financial Year 2018**

#### ***Total revenue***

Our total revenue increased by ₹1,382.53 lacs or changed by 15.20% from ₹9,097.97 lacs in the FY 2018 to ₹10,480.50 lacs in the FY 2019. This was primarily due to increase in our revenue from operations.

#### ***Revenue from Operations***

Our revenue from operations increased by ₹1,425.73 lacs or changed by 15.81% from ₹9,017.20 lacs in FY 2018 to ₹10,442.93 lacs in FY 2019. This increase was primarily driven by higher sales of finished goods and also increase in job work charges.

#### ***Other Income***

Our other income decreased by ₹43.20 lacs or changed by -53.49% from ₹80.77 lacs in FY 2019 to ₹37.57 lacs in FY 2018. This decrease was majorly driven by no gain on exchange rate fluctuation, no reversal provision on excise duty, less profit on sale/disposal of fixed asset, no Modvat utilisation and lesser misc. income.

#### ***Expenditure***

Total expenses increased by ₹1,333.85 lacs or changed by 15.54% from ₹8,583.40 lacs in FY 2018 to ₹9,917.25 lacs in FY 2019. This increase was primarily driven by cost of materials consumed, changes in inventory of finished goods and work-in progress, manufacturing expenses, employee benefit expenses, finance costs and other expenses.

#### ***Cost of materials consumed***

Cost of raw materials consumed increased by ₹1,384.19 lacs or changed by 22.77% from ₹6,078.47 lacs in FY 2018 to ₹7,462.66 lacs in FY 2019 on account of more purchases and high inventory at the beginning of the year. Cost of materials consumed as a percentage of total revenue also increased from 66.81% in FY 2018 to 71.21% in FY 2019.

#### ***Purchase of Stock-in-trade***

Purchase of stock-in-trade decreased by ₹172.12 lacs or changed by -32.63% from ₹527.50 lacs in FY 2018 to ₹355.38 lacs in FY 2019. This was in tune with the management's decision to ensure limited inventories.

#### ***Changes in inventories of finished goods and work-in-progress***

Changes in inventories of finished goods and work-in-progress decreased by ₹66.57 lacs from ₹(201.67) lacs in FY 2018 to ₹(268.24) lacs in FY 2019. This was primarily attributable to more inventory of semi-finished goods at the end of the year.

#### *Manufacturing expenses*

Manufacturing expenses increased by ₹20.01 lacs or changed by 2.02% from ₹989.23 lacs in FY 2018 to ₹1,009.24 lacs in FY 2019. This was primarily due to a higher stores, spares and maintenance expense, more power and fuel expense, higher job charges, higher contract labour expense, high security charges and high repairs and maintenance expense. Manufacturing expenses contributed 10.87% of the total revenues for the FY 2018 vis-à-vis 9.63% of the total revenues for the FY 2019.

#### *Employee benefits expense*

Employee benefits expense increased by ₹42.44 lacs or changed by 8.38% from ₹506.31 lacs in FY 2018 to ₹548.75 lacs in FY 2019. This was primarily due to a higher salaries, wages, bonus & other allowances, increase in gratuity and higher canteen expenses & staff welfare. Employee benefit expenses contributed 5.57% of the total revenues for the FY 2018 vis-à-vis 5.24% of the total revenues for the FY 2019.

#### *Finance costs*

Finance costs increased by ₹43.73 lacs or changed by 16.66% from ₹262.46 lacs in FY 2018 to ₹306.19 lacs in FY 2019. This increase in finance costs was primarily on account of higher interest cost and exchange rate fluctuation. As a percentage of total revenue, Finance costs contributed 2.92% of the total revenues for the FY 2019 vis-à-vis 2.88% of the total revenues for the Financial Year 2018.

#### *Depreciation and amortisation expense*

Our depreciation and amortization expense marginally decreased by ₹0.33 lacs or changed by -0.13% from ₹258.61 lacs in FY 2018 to ₹258.28 lacs in FY 2019.

#### *Other expenses*

Other expenses increased by ₹82.48 lacs or changed by 50.76% from ₹162.50 lacs in FY 2018 to ₹244.98 lacs in FY 2019. This was primarily due to main increase in vehicle expenses, legal & consulting charges, freight outwards, license fees, discount on sales, office expenses and electricity expenses.

#### *Profit before tax*

In light of above discussions, our profit before tax increased by ₹48.68 lacs or changed by 9.46% from ₹514.57 lacs in FY 2018 to ₹563.25 lacs in FY 2019. This was largely driven by increase in total revenue compared to increase in total expenses.

#### *Tax expense*

Our total tax expense increased by ₹39.02 lacs or changed by 39.57% from ₹98.61 lacs in FY 2018 to ₹137.63 lacs in FY 2019. This was largely driven by a decrease in current tax in FY 2019 and deferred tax (credit).

#### *Profit*

For the various reasons discussed above and following adjustments for tax expense, we recorded increase in our profit by ₹9.67 lacs or change by 2.32% from ₹415.95 lacs in FY 2018 ₹425.62 lacs in FY 2019. Profit after tax as a percentage of total revenue stood at 4.06% for FY 2019 versus 4.06% for FY 2018.

#### **Cash Flows**

The following table sets forth certain information relating to our cash flows under Ind AS in FY 2020, FY 2019 and FY 2018:

Particulars	As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Net cash flow from operating activities	(373.08)	878.29	772.97	576.96
Net cash flow used in investing activities	(491.21)	(2,586.22)	(803.31)	(786.04)
Net cash flow (used in)/from financing activities	874.51	1,729.64	(14.85)	148.07
Net increase in cash and cash equivalents	10.22	21.71	(45.19)	(61.01)
Cash and cash equivalents at the beginning of the year	34.60	12.89	58.08	119.09
Cash and cash equivalents at the end of the year	44.82	34.60	12.89	58.08

*Net cash generated from operating activities*

Net cash used for operating activities for nine months period ended December 31, 2020 was ₹373.08 lacs and our profit before tax for same period was ₹523.43 lacs.

Net cash generated from operating activities in the FY 2020 was ₹878.29 lacs and our profit before tax that period for FY 2020 was ₹377.58 lacs. The difference was primarily attributable to Depreciation of ₹332.20 lacs, Finance costs of ₹346.99 lacs and thereafter trade receivables and trade payables of ₹285.81 lacs and ₹475.10 lacs respectively. We received a refund on income tax of ₹81.43 lacs.

Net cash generated from operating activities in the FY 2019 was ₹772.97 lacs and our profit before tax that period was ₹563.25 lacs. The difference was primarily attributable to gratuity of ₹3.72 lacs, Finance costs of ₹283.02 lacs and thereafter trade receivables, other current assets and other current liabilities of ₹128.77 lacs, ₹92.89 lacs and ₹46.42 lacs respectively. We received a refund on income tax of ₹205.05 lacs.

Net cash generated from operating activities in the activities in the FY 2018 was ₹576.96 lacs and our profit before tax that period was ₹514.57 lacs. We received a refund on income tax of ₹49.81 lacs in FY 2018.

*Net cash used in investing activities*

Net cash used for investing activities for nine months period ended December 31, 2020 was ₹491.21 lacs.

In FY 2020, our net cash used in investing activities was ₹2,586.22 lacs, which was primarily for purchase of plant and machinery of ₹2,598.30 lacs and purchase of investments of ₹8.67 lacs. We also withdrawn fixed deposit of ₹4.36 lacs while received total interest income of ₹16.40 lacs during FY 2020.

In FY 2019, our net cash used in investing activities was ₹803.31 lacs, which was primarily for purchase of plant and machinery of ₹769.67 lacs and fixed deposit of ₹54.36 lacs. Our Company also received ₹0.45 lacs by proceeds from sale/disposal of fixed assets, ₹19.92 lacs by interest income and ₹0.34 lacs through dividend income.

In FY 2018, our net cash used in investing activities was ₹786.04 lacs, which was primarily for purchase of plant and machinery of ₹810.61 lacs. We had receipts from sale/disposal of fixed assets of ₹ 12.35 lacs and ₹12.22 lacs by interest income.

*Net cash generated from/ used in financing activities*

Net cash generated from financing activities for nine months period ended December 31, 2020 was ₹874.51 lacs.

In the FY 2020, our net cash generated from financing activities was ₹1,729.64 lacs. This reflected ₹1,643.05 lacs received as proceeds from long term borrowing (net). There were also details such as ₹433.57 lacs as proceeds towards issuance of Equity Shares and interest payments of ₹346.99 lacs.

In the FY 2019, our net cash used in financing activities was ₹14.85 lacs. This was primarily due to proceeds of ₹268.17 lacs as long-term borrowing (net) and interest payments of ₹283.02 lacs.

In the FY 2018, our net cash generated from financing activities was ₹148.07 lacs. This was primarily due to proceeds towards issuance of Equity Shares for ₹270.00 lacs, ₹ 117.08 lacs through long term borrowing (net) and interest payments of ₹239.01 lacs.

## LIQUIDITY AND CAPITAL RESOURCES

We fund our operations primarily with cash flow from operating activities and borrowings / credit facilities from banks. Our primary use of funds has been to pay for our working capital requirements and capital expenditures and for expansion of our manufacturing facilities. We evaluate our funding requirements regularly in light of our cash flow from our operating activities and market conditions. In case our cash flows from operating activities do not generate sufficient cash flows, we may rely on other debt or equity financing activities, subject to market conditions.

Our Company had consolidated cash and cash equivalents of ₹44.82 lacs as on December 31, 2020; ₹34.60 lacs as of March 31, 2020; ₹12.89 lacs as of March 31, 2019 and ₹58.08 lacs as of March 31, 2018. As of December 31, 2020, we had long term borrowings of ₹3,405.71 lacs and short-term borrowings of ₹3,036.55 lacs while for March 31, 2020, we had long term borrowings of ₹2,924.17 lacs and short-term borrowings of ₹2,324.05 lacs. The following table sets forth certain information relating to our outstanding indebtedness as of December 31, 2020 and March 31, 2020:

Sr. No	Category of borrowing	Outstanding Amounts As of (₹ lacs)	
		December 31, 2020	March 31, 2020
1	Secured (A)		
	- Term Loan	2,641.32	2,433.51
	- Cash Credit	2,236.45	1,747.92
	- Inland Letter of Credit	307.02	528.65
	- Working Capital Loan	493.08	-
	- Overdraft	-	47.47
	Sub Total (A)	5,677.87	4,757.55
2	Unsecured (B)		
	- From directors and relatives	483.67	419.93
	- From companies	210.00	-
	Sub Total (B)	764.40	490.66
	<b>Total (A+B)</b>	<b>6,442.27</b>	<b>5,248.21</b>

For further and detailed information on our indebtedness, see “*Risk Factor No. 49 - Our agreements with lenders for financial arrangements contain restrictive covenants for certain activities and if we are unable to get their approval, it might restrict our scope of activities and impede our growth plans.*” on page 48 and “*Financial Indebtedness*” on page 268.

## CONTINGENT LIABILITIES

### *Contingent liabilities*

As of December 31, 2020, the estimated amount of contingent liabilities and not provided for was ₹180.46 lacs. For further information on our contingent liabilities and commitments, see “*Financial Statements*” on page 205.

### Capital expenditures

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily for investments in property, plant and equipment for our manufacturing facilities and other intangible assets that shall be utilised to further our business operations.

## OFF-BALANCE SHEET ARRANGEMENTS



We do not have any off-balance sheet arrangements that have or which we believe reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenue or expenses, operating results, liquidity, capital expenditure or capital resources.

## **RELATED PARTY TRANSACTIONS**

We enter into various transactions with related parties in the ordinary course of business including sale of goods, rent paid and managerial remuneration. For further information relating to our related party transactions, see “*Financial Statements – Restated Financial Statements – Annexure V - Significant Accounting Policies and Explanatory Notes to the Restated Financial Statements – Note 42 – Related party disclosures*” on page 205.

### **Reservations, Qualifications and Adverse Remarks by the statutory auditors**

There are no reservations, qualifications and adverse remarks by our Statutory Auditors since incorporation.

### **Details of Default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues or repayment of debentures or repayment of deposits or repayment of loans from any bank or financial institution**

There have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company for nine months period ended December 31, 2020 and for financial year ended March 31, 2020, 2019 and 2018.

### **Material Frauds**

There are no material frauds, as reported by our statutory auditor, committed against our Company, since incorporation.

## **QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Market risk is the risk of loss related to adverse changes in market prices, including interest rates and foreign exchange rates. In the normal course of business, we are exposed to certain market risks including foreign exchange rate risk and interest risk.

### ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company’s exposure to the risk of changes in market interest rates relates primarily to the Company’s debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company’s exposure to the risk of changes in market interest rates relates primarily to the Company’s debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The company’s fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### ***Foreign exchange rate risk***

The company operates internationally and business is transacted in several currencies. The export sales of company comprise around 3.28% of the total sales of the company, Further the company also imports certain assets and material from outside India. The exchange rate between the Indian rupee and foreign currencies has changed substantially in the future. Consequently, the company is exposed to foreign currency risk and the results of the company may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future

probable transactions and recognized assets and liabilities denominated in a currency other than company's functional currency.

The company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by appropriately hedging the transactions. The Company uses a derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

### ***Liquidity risk***

The financial liabilities of the company, other than derivatives, include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The company plans to maintain sufficient cash and deposits to meet the obligations as and when fall due.

### ***Credit Risk***

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in shares of bank having proven track record and taken as a stipulation of credit facility availed from them. The Company's credit risk in case of all other financial instruments is negligible.

Customer credit risk is managed by each business team subject to the Company's established policy, procedures, and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customers receivables are regularly monitored.

The company assesses the credit risk for the overseas customers based on external credit ratings assigned by credit rating agencies. The company also assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to overseas customers are generally covered by ECGC.

The impairment analysis is performed on client to client basis at each reporting date for major customers. The company has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

### ***General***

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits and vice versa. This assumption depends on the yields on the corporate/government bonds and hence the evaluation of liability is exposed to fluctuations in the yields as at the valuation date.

### **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 under chapter "Risk Factors" and "Our Business" on page 26 and 146, respectively of this Draft Red Herring Prospectus, there have been no other unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses as on date of this Draft Red Herring Prospectus.

**2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

Apart from the risks as disclosed under Section “Risk Factors” and chapter “Key Regulations and Policies” beginning on page 26 and 163, respectively of this Draft Red Herring Prospectus, there are no significant economic changes that may materially affect or likely to affect income from continuing operations.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section “Risk Factors” beginning on page 26 of this Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**4. Future changes in relationship between costs and revenues**

Other than as described under chapter “Risk Factors” and “Our Business” on page 26 and 146, respectively of this Draft Red Herring Prospectus, our Company’s future costs and revenues will be determined by demand/supply situation, both of the end products as well as the raw materials, government policies and budget constraints of our customer(s).

**5. Increases in net sales or revenue and Introduction of new products or services or increased sales prices**

Increases in revenues are directly linked to increases in volume of business and also dependent on the price realisation on our products.

**6. Status of any publicly announced New Products or Business Segment**

Except as disclosed elsewhere in the Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

**7. Total Turnover of Each Major Industry Segment in Which the Issuer Operates**

We operate only a single segments for our financial statements prepared in accordance with Ind AS.

**8. Seasonality of business**

Our Company’s business is not seasonal in nature. For further details, please see “Risk Factors” and “Our Business” on page nos. 26 and 146, respectively, of this Draft Red Herring Prospectus.

**9. Any Major Dependence on a single or few suppliers or customers**

The % of contribution of our Company’s customer vis-à-vis the total revenue from operations respectively as for period ended December 31, 2020 and financial year ended March 31, 2020, 2019 and 2018 is as follows:

Particulars	Top Customers as a percentage (%) of revenues			
	December 31, 2020	Fiscal 2020	Fiscal 2019	Fiscal 2018
Top 5	72.80	70.45	69.21	60.80
Top 10	81.96	79.03	77.32	68.60

Particulars	Top Suppliers as a percentage (%) of purchases			
	December 31, 2020	Fiscal 2020	Fiscal 2019	Fiscal 2018
Top 5	42.17	41.94	44.20	41.92
Top 10	55.68	56.61	68.83	58.56

**10. Competitive conditions:**

Competitive conditions are as described under the chapters “*Risk Factors*” and “*Our Business*” beginning on pages 26 and 146 respectively.

**11. Significant Developments after December 31, 2020 that may affect our results of operations.**

There have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months. For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*”, “*Our Business*”, “*History and Certain Corporate Matters*” and “*Risk Factors*” on pages 254, 146, 175 and 26, respectively.

**Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):**

In view of the nationwide lockdown announced by the Government of India to control the spread of COVID-19, the Company’s business operations were temporarily disrupted from March 24, 2020. The Company has resumed operations in a phased manner as per government directives, as we cater to the essential packaging sector. Based on the immediate assessment of impact of COVID-19 on the operations of the Company and on-going discussions with the Customers, vendors and service providers, the Company continues serving customer orders and obtaining regular supply of raw materials and logistics services. The Management has considered the possible effects, if any, that may result from the pandemic on the carrying amounts of its current and non-current assets, after considering internal and external sources of information as at the date of approval of these financial statements. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Trade Receivables and Inventories. In assessing recoverability of trade receivables, the Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available up to the date of issuance of these financial statements. In assessing the recoverability of inventories, the Company has considered the cost prices, customer orders on hand and margins. Based on the above assessment, the Company is of the view that carrying amounts of trade receivables and inventories are expected to be realisable. The impact of COVID-19 may be different from that estimated as at the date of approval of these financial statements, and the Company will continue to closely monitor the developments.

The Company has concluded that the impact of COVID-19 is currently not material to our Company, based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

## FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of all the borrowings of our Company together with a brief description of certain significant terms of such financing arrangements. As on December 31, 2020, our total outstanding secured borrowing was ₹ 6,058.75 lakhs and total outstanding current unsecured borrowing was ₹ 693.67 lakhs.

Further, pursuant to the resolution passed by the Shareholders in an Annual General Meeting held on August 12, 2019, and in accordance with the provisions of the Companies Act, 2013, our Board is authorised to borrow, from time to time, such sum or sums of moneys as the Board which together with the moneys already by our Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed at any time the aggregate of the paid – up capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys borrowed by the Board of Directors and outstanding at one time shall not exceed ₹ 15,000 lacs.

### SECURED BORROWING OF OUR COMPANY

The following table provides the details of the secured loans availed by our Company as on December 31, 2020:

S. No.	Name of Lender	Sanctioned amount (₹ in lakhs)	Amount outstanding as on December 31, 2020 (₹ in lakhs)
<b>1. TERM LOAN FACILITIES</b>			
	Cosmos Co-operative Bank Limited <sup>1)</sup>	2,365.95	1,613.65
	Axis Bank Limited <sup>2)</sup>	1,595.00	1,393.13
<b>A.</b>	<b>Total Term Loan facilities</b>	<b>3,960.95</b>	<b>3,006.78</b>
<b>2. CASH CREDIT FACILITIES</b>			
	HSBC Bank <sup>3)</sup>	1,000	963.3
	Axis Bank Limited <sup>2)</sup>	1,500	828.29
	Cosmos Co-operative Bank Limited <sup>1)</sup>	1,000	938.01
<b>B.</b>	<b>Total cash credit facilities</b>	<b>3,500</b>	<b>2,729.60</b>
<b>3. NON-FUND BASED FACILITIES</b>			
	Axis Bank Limited <sup>2)</sup>	1,100	307
	Cosmos Co-operative Bank Limited <sup>1)</sup>	100.00	-
<b>C.</b>	<b>Total non-fund based facilities</b>	<b>1,200</b>	<b>307</b>
<b>Total Facilities (A+B+C)</b>		<b>8,660.95</b>	<b>6,043.38</b>

- 1) Loan facilities availed from Cosmos Co-operative Bank Limited to the extent of ₹ 1,000 lakhs have been taken over by HSBC Bank. The remaining facilities availed from Cosmos Co-operative Bank Limited are in the process of being taken over by HDFC Bank Limited. A sanction letter dated May 13, 2021 has been issued by HDFC Bank Limited for taking over the loan facilities and for sanctioning additional loan facilities to our Company. We are in the process of executing loan and ancillary agreements and registering a charge in favor of HDFC Bank Limited.
- 2) Loan facilities availed from Axis Bank Limited to the extent of ₹ 800 lakhs have been taken over by HDFC Bank Limited. We have received an email dated June 19, 2021 from HDFC Bank Limited confirming the takeover of the aforementioned loan facilities. We are yet to receive a sanction letter from the Bank and are in the process of executing loan and ancillary agreements and registering a charge in favor of HDFC Bank Limited.
- 3) Our Company has not done the relevant statutory under Companies Act, 2013 for the loan facilities availed from HSBC Bank and HDFC Bank Limited.

#### Principal terms of borrowings applicable to our Company:

##### a. Interest:

The interest rate charged by the banks has been provided below:

1) **Working Capital Facilities/ Cash Credit Facilities/ Non-Fund Based Facilities:**

The interest rates with respect to the working capital facilities/ cash credit facilities/ non-fund based facilities availed by us are floating in nature and range from 1.25% to 10.55%. The floating rates have to be calculated as per the prevailing three (03) months or six (06) months marginal cost of funds based lending rate (“MCLR”).

2) **Term Loan Facility:**

The interest rates with respect to the term loan facilities availed by us are floating in nature and range from 8.50% to 11.00%. The floating rates have to be calculated as per the marginal cost of funds based lending rate (“MCLR”) or the applicable REPO rate.

**b. Tenor:**

The working capital facilities/ cash credit facilities/ non-fund based facilities availed by our Company are repayable within the range of 180 days to 01 year or are generally repayable on demand. The tenor of the term loans ranges from 3 years to 10 years.

**c. Security Details of the above-mentioned borrowings availed by our Company:**

Our borrowings are secured by way of *inter alia*,

- a. a first and second *pari passu* hypothecation charge over all existing and future receivables, current assets, moveable assets; and
- b. mortgage over land, building and other immovable properties of the Company and of our Promoters; and
- c. issue of demand promissory notes.

In most cases, the security created in favour of a lender is on a *pari passu* basis with other lenders. Further, the details above are indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

**d. Personal Guarantee:** Personal guarantees have been issued by our Promoters, Sumer Raj Lodha, Nirmala Lodha and Abhishek Sumerraj Lodha.

**e. Repayment:** The term loans availed by our Company are typically repayable in annually, monthly, quarterly and semi-annually instalments and the working capital facilities/ cash credit facilities/ non-fund based facilities are typically repayable on demand.

**f. Key covenants:** The loan facility entails various restrictive covenants and conditions restricting certain corporate actions without taking the prior approval of the respective lender before carrying out such actions, including for:

- a. Changing the constitution, shareholding pattern and the Board of Directors of our Company;
- b. Undertaking any large-scale expansion or new projects;
- c. Creating any charge on the immovable properties with any financial institutions or any other party;
- d. Making investment or give loans to sister concerns for non-operational purposes;
- e. Giving a guarantee on behalf of third parties; and

- f. Prepayment or repayment of any principal or interest on any loans availed by the Borrower from the shareholders/directors

This is an indicative list and there may be such other additional terms under the various borrowing arrangements entered into by our Company.

- g. **Events of Default:** Our borrowing arrangements typically contain standard events of default, including, among others:

- a. Default in the payment of the loan, when due and payable to the lender;
- b. Failure to perform any covenants/ conditions agreed on the part of the borrower;
- c. Failure to create and maintain adequate security as prescribed by the lender
- d. If there is an apprehension that the Borrower is unable to pay his debts; and
- e. Supplying any mis-leading or incorrect information in relation to any warranty.

This is an indicative list and there may be such other additional terms under the various borrowing arrangements entered into by our Company.

- h. **Consequences of occurrence of events of default:** Upon the occurrence of an event of default under the loan facilities, our lenders are entitled to, among other things:

- a. Charge a penal interest on the defaulted amount for the non-compliance of the sanctioned terms; and
- b. Any delay or default in the repayment of the facility availed by the borrower from the lenders, would result in the borrower not allowing the payout by way of salary to the directors and partners.
- c. Convert the debt into equity share capital of the Company as per the strategic debt restructuring scheme of the RBI, with a view to take management control over the Company and cause change in the ownership.

This is an indicative list and there may be such other additional terms under the various borrowing arrangements entered into by our Company.

## VEHICLE LOANS

Our Company has availed the following vehicle loans from Cosmos Co-operative Bank Limited, the details of which are as under:

Particulars of the loan	Loan Amount (₹ in lacs)	Amount outstanding as on December 31, 2020 (₹ in lacs)	Rate of Interest (% p.a.)	Repayment Schedule	Security
Four-wheeler loan	9.90	8.72	8.25%	36 equated monthly installments	Hypothecation of Vehicle namely Mahindra Marazzo & PDCS to secured the loan amount of Rs. 9.90 Lacs.
Commercial vehicle loan	6.93	6.65	10.55%	60 equated monthly installments	Hypothecation of Vehicle namely Bolero Pick Up, 1.7 Bs -4 CBC & PDCS to secure

Particulars of the loan	Loan Amount (₹ in lacs)	Amount outstanding as on December 31, 2020 (₹ in lacs)	Rate of Interest (% p.a.)	Repayment Schedule	Security
					the loan amount of Rs. 6.93 Lacs.

#### **UNSECURED BORROWINGS**

Our Company has availed the following current unsecured borrowings:

(₹ in lakhs)

Particulars	Amount outstanding as on December 31, 2020
<i>Loans availed from Promoters</i>	
Sumer Raj Lodha	218.61
Nirmala Lodha	143.00
Abhishek Sumerraj Lodha	122.06
<i>Loans availed from third parties</i>	
Laxmi Snacks Private Limited	210.00
<b>Total Unsecured borrowings</b>	<b>693.67</b>



## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or Stock Exchanges against the Promoters in the last five financial years, including any outstanding action; or (v) Material Litigation (as defined below); involving our Company, Directors, Promoters and Group Company.

Our Board, in its meeting held on April 20, 2021, determined that outstanding legal proceedings involving the Company, its Directors, Promoters and Group Company: (a) where the aggregate amount involved, in such individual litigation exceeds 10% of the total revenue of our Company, as per last audited financial statements i.e. ₹ 1,035.42 lacs; or (b) where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed 10% of the total revenue of the Company as per the last audited financial statements, if similar litigations put together collectively exceed 10% of revenue of the Company, or (c) litigations whose outcome could have a material impact on the business, operations, prospects or reputation of our Company, will be considered as material litigation (“**Material Litigation**”).

Our Board of Directors considers dues owed by our Company to the small scale undertakings and other creditors exceeding 10% of the trade payables for the last audited financial statements i.e. ₹ 136.96 lacs, as material dues for the Company. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on April 20, 2021. Further, for outstanding dues to any party which is a micro, small or a medium enterprise (“**MSME**”), the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditors.

All terms defined in a particular litigation are for that particular litigation only.

#### 1. LITIGATION INVOLVING OUR COMPANY

##### i. Litigation against our Company

###### 1. Criminal Proceedings

Nil

###### 2. Actions taken by Statutory/Regulatory Authorities

A show-cause notice dated February 04, 2021 was issued by the Additional Director General of Foreign Trade against our Company and our Promoters and Directors, Sumer Raj Lodha and Nirmala Lodha under Sections 11, 12, 13 and 14 of the Foreign Trade (Development & Regulation) Act, 1992 and the applicable provisions of the Foreign Trade (Regulation) Rules, 1993. The notice had alleged that our Company in accordance with its EPCG authorization had failed to *inter alia* (i) maintain annual average exports and complete the specific export obligations and (ii) submit the requisite documents under Foreign Trade Policy, handbook of procedures and EPCG authorization. The notice directed our Company and Promoters to show cause as to why *inter alia* an action should not be initiated against them, the conditions of the EPCG authorization should not be enforced, etc. Our Company filed a reply dated March 09, 2021 with the office of Additional Director General of Foreign Trade denying the allegations levied mentioned in the show-cause notice on the grounds, *inter alia* that an extension for completing the export obligation was granted by the concerned authorities post which the said obligation was belatedly fulfilled. No further correspondence has taken place with the Additional Director General of Foreign Trade and the matter is currently pending before the said authority.

###### 3. Tax Proceedings

Below are the details of pending tax cases involving our Company, specifying the number of cases pending and the total amount involved:

(₹ in lacs)

Particulars	Number of cases	Amount involved*
<b>Indirect Tax</b>		
Sales Tax/VAT	Nil	Nil
Central Excise	Nil	Nil
Customs	Nil	Nil
Service Tax	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<b>Direct Tax</b>		
Cases filed against our Company	02	0.29
Cases filed by our Company	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

\*To the extent quantifiable

#### 4. Other Material Litigations

- a) A civil suit bearing number 124 of 2019 and an injunction application was filed by Muljibhai Nathbhai Prajapati and others (hereinafter referred as ‘**Plaintiff**’) against our Company and our Promoters and Directors, Sumer Raj Lodha and Nirmala Lodha before the Hon’ble Civil Court, Mirzapur at Ahmedabad for alleged unauthorized encroachment upon 1,200 square meters of the Plaintiff’s land situated at survey number, 326, western side of survey number 327 and beside survey number 295, Village Timba, Taluka Dascroi, Timba, Ahmedabad – 382 425, Gujarat, India. The Plaintiff had prayed the Hon’ble Court *inter alia* to grant an injunction restraining our Company from encroaching upon his land and carrying out construction on his land. Our Company had filed a reply to the suit, vehemently denying the allegations raised by the Plaintiff on the grounds that *inter alia* (i) the boundary wall was constructed by our Company on its own land, therefore the said construction does not qualify as encroachment; (ii) the marking of the land and consequent construction of the boundary wall was done on the basis of the measurements marked by the officers of District Inspectors Land Records; (iii) the office of District Inspectors Land Records is a government authority, therefore the markings done by the officers of the said authority were legally binding on the parties of this suit, etc. The Hon’ble Court had passed an interim order October 18, 2019 (“**Order**”), partly allowing the injunction application filed by the Plaintiff on the condition that the status quo should be maintained in respect of the construction carried out by our Company on the land bearing survey number 326 and the western side of the land bearing survey number 327. Presently, our Company has filed an application dated March 17, 2020 before the Hon’ble Court seeking a clarificatory order under Section 155 of the Code of Civil Procedure, 1908 and praying the Hon’ble Court to clarify that (i) the Order cannot prevent Uttar Gujarat Vij Company Limited from transferring an electricity connection in the name of our Company; and (ii) the Order prevents the police authorities from entertaining any complaint against the Defendant with respect to trespass of land bearing survey number 326 and the western side of the land bearing survey number 327. The matter is currently pending before the Hon’ble Court.
- b) A W.C. case bearing number 10 of 2019 was filed by Khum Singh Chauhan and others (“**Applicants**”) against our Company before the Hon’ble Labour Court, Ratlam under Section 12 of Employees’ Compensation Act, 1923. The case was filed by the legal representatives of Bhur Singh Chauhan, who died while working at the manufacturing unit of our Company to claim the compensation payable by our Company under the Employees’ Compensation Act, 1923. The Applicants in their application have prayed the Hon’ble Court to pass an order directing our Company to pay an amount of ₹ 10 lakhs towards compensation under the Employees’ Compensation Act, 1923; and an amount of ₹ 05 lakhs and ₹ 0.10 lakhs towards penalty and interest, respectively towards the delay in making payment of the compensation. The matter is currently pending before the Hon’ble Labour Court.
- c) A case bearing number 01 of 2019 was filed by Manish Kumar Nandkishore Sinha and others (“**Plaintiff**”) against our Company before the Hon’ble Labour Court, Kalol under Section 10 of Industrial Disputes Act, 1947. The case was filed by the Plaintiff alleging that our Company had unlawfully and without providing a proper reasoning terminated his employment as a ‘pouching supervisor’ with effect from June 22, 2018. The Plaintiff in his pleadings has prayed the Hon’ble Court to pass an order directing us to (i) reinstate him in his previously held office of a ‘pouching supervisor’ in our Company and (ii) to pay him the total salary due to

him from the date of his termination, that is June 22, 2018. The Hon'ble Court had issued a notice dated February 01, 2019 summoning our Company to file a reply to record its defence to the allegations raised by the Plaintiff in his pleadings. Our Company is yet to file a reply and presently the matter is pending for the same before the Hon'ble Labour Court.

5. *Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals*

Nil

**ii. Litigation by our Company**

1. *Criminal Proceedings*

- a) A criminal case bearing number 2702444 of 2016 was filed by our Company before the Hon'ble court of the Additional Chief Metropolitan Magistrate, Ahmedabad against M/s. Agrawal Food Products and others (the "**Accused**") under Section 138 of the Negotiable Instrument Act, 1881 for dishonour of cheques issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹ 1.95 lakhs. Presently the case is pending before the Hon'ble court of Additional Chief Metropolitan Magistrate for issue of process against the Accused.
- b) A criminal complaint bearing number 9730 of 2017 was filed by our Company before the Hon'ble court of the Additional Chief Metropolitan Magistrate, Ahmedabad against M/s. Aruna's Snacks Foods Private Limited and others (the "**Accused**") under Section 138 of the Negotiable Instrument Act, 1881 for dishonour of cheques issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹ 10 lakhs. Presently the case is pending before the Hon'ble court of Additional Chief Metropolitan Magistrate for issue of process against the Accused.
- c) A criminal case bearing number 7059 of 2010 was filed by our Company before the 7<sup>th</sup> Additional Senior Civil Judge & A.C.J.M., Hon'ble Civil Court, Ahmedabad against M/s. Natraj Cold Storage Food Private Limited and others (the "**Accused**") under Sections 138 and 141 of the Negotiable Instrument Act, 1881 for dishonour of cheques issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹ 13.33 lakhs. The Hon'ble Court has issued process against the Accused and presently the case is pending.
- d) A criminal case bearing number 2701714 of 2016 was filed by our Company before the Hon'ble court of the Additional Chief Metropolitan Magistrate, Ahmedabad against M/s. Shakti Bhog Foods Private Limited and others (the "**Accused**") under Section 138 of the Negotiable Instrument Act, 1881 for dishonour of cheques issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹ 1.96 lakhs. Presently the case is pending before the Hon'ble court of Additional Chief Metropolitan Magistrate for issue of process against the Accused.

2. *Civil and other Material Litigations*

- a) Our Company has filed a summary suit bearing number 40 of 2020 against M/s. Festive Food (hereinafter each referred to as a "**Defendant**") before the Hon'ble City Civil Court, Ahmedabad under Order XXXII and Section 26 of Code of Civil Procedure, 1908 ("**CPC**") and Section 58 of the Indian Contract Act, 1872. The suit has been filed by our Company for recovering the principal amount, ₹ 3.91 lakhs along with an interest of 24% (calculated from the date when the principal amount became due), aggregating to ₹ 4.92 lakhs, from the Defendant for the goods supplied by us *vide* invoice dated February 09, 2019. Under the said suit, our Company has prayed *inter alia* that the Hon'ble City Civil Court, Ahmedabad shall pass a decree for recovery of ₹ 4.92 lakhs from the Defendant towards the goods supplied by us. The said matter is currently pending before the Hon'ble City Civil Court, Ahmedabad for issue of process against the Defendant.
- b) Our Company has filed an appeal bearing number 2240 of 2020 against M/s. A-One Milk Products Private Limited (hereinafter each referred to as a "**Opponent**") before the Hon'ble High Court, Ahmedabad under Section 96 of Code of Civil Procedure, 1908 challenging the order dated March 16, 2020 passed by the Hon'ble

City Civil Court in a summary suit filed by our Company. The suit was filed for recovering an amount of ₹ 10.63 lakhs along with an interest of 24% (calculated from the date of filing of the suit until the date of realization), from the Opponent for the goods supplied by us. The Hon'ble City Civil Court, Ahmedabad passed an order partly allowing the suit and directing the Opponent to pay an amount of ₹ 4.98 lakhs. Our Company has prayed the Hon'ble High Court to pass an order declaring the impugned order of the Civil Court erroneous and direct the Opponent to pay an amount of ₹ 10.63 lakhs along with an interest of 24% towards the goods supplied by us. The said matter is currently pending before the Hon'ble High Court.

- c) Our Company has filed a regular civil suit bearing number 48 of 2020 against Chanchalben and Harshaben (the “**Defendants**”) before the Hon'ble Civil Court, Kalol. The suit has been filed challenging the notice dated January 15, 2020 issued by the Defendants calling upon our Company to hand over the possession of the property situated at Block number 870, village Santej, Gujarat (the “**Suit Property**”) for which an agreement for sale (with possession) dated June 09, 2003 was executed with the Defendants for the sale of the Suit Property to our Company. An irrevocable general power of attorney, which is still subsisting was also executed by the Defendants giving us the rights to deal with the Suit Property. Our Company has prayed the Hon'ble Court to *inter alia* grant a permanent injunction restraining the Defendants from forcibly or illegally taking possession of the Suit Property and to pass a decree declaring our Company as the owner of the Suit Property by virtue of principle of “*law of adverse possession*”. The said matter is currently pending before the Hon'ble High Court for issue of process.

## 2. LITIGATION INVOLVING OUR PROMOTERS

### *Cases filed against our Promoters*

#### 1. *Criminal Proceedings*

Nil

#### 2. *Actions taken by Statutory/Regulatory Authorities*

For details of actions taken by the statutory or regulatory authorities against our Promoters, please see “*Litigation against our Company - Actions taken by Statutory/Regulatory Authorities*” at page 272 of this Draft Red Herring Prospectus.

#### 3. *Tax Proceedings*

Nil

#### 4. *Other Material Litigations*

For details of material civil litigations against our Promoters, please see “*Litigation against our Company – Other Material Litigations*” at page 273 of this Draft Red Herring Prospectus.

### *Cases filed by our Promoters*

#### 1. *Criminal Proceedings*

Nil

#### 2. *Other Material Litigations*

Nil

### *Disciplinary action against our Promoters by SEBI or any stock exchange in the last five Fiscals*

As on date of this Draft Red Herring Prospectus, no disciplinary action including penalty imposed by SEBI or stock exchanges has been initiated against our Promoters in the last five Fiscals including any outstanding action.

### **3. LITIGATION INVOLVING OUR DIRECTORS**

#### ***Cases filed against our Directors***

1. *Criminal Proceedings*

Nil

2. *Actions taken by Statutory/Regulatory Authorities*

For details of actions taken by the statutory or regulatory authorities against our Directors, please see “*Litigation against our Company - Actions taken by Statutory/Regulatory Authorities*” at page 272 of this Draft Red Herring Prospectus.

3. *Tax Proceedings*

Nil

3. *Disciplinary action by SEBI or any stock exchange in the last five Fiscals*

Nil

4. *Other Material Litigations*

For details of material civil litigations against our Directors, please see “*Litigation against our Company – Other Material Litigations*” at page 273 of this Draft Red Herring Prospectus.

#### ***Cases filed by our Directors***

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

### **4. LITIGATION INVOLVING OUR SUBSIDIARY**

As on date of this Draft Red Herring Prospectus, our Company does not have a subsidiary.

### **5. LITIGATION INVOLVING OUR GROUP COMPANY**

#### ***Cases filed against our Group Company***

1. *Criminal Proceedings*

Nil

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Tax Proceedings*

Nil

4. *Disciplinary action by SEBI or any stock exchange in the last five Fiscals*

Nil

4. *Other Material Litigations*

Nil

***Cases filed by our Group Company***

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

**6. OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS**

In terms of the Materiality Policy dated April 20, 2021, our Company has 01 material creditor, as on date of this Draft Red Herring Prospectus.

As on date of this Draft Red Herring Prospectus, our Company has no amount payable or outstanding towards small-scale undertakings. Details of amounts outstanding to material and other creditors is as follows:

<b>Particulars</b>	<b>No. of Creditors</b>	<i>(₹ in lacs)</i>
		<b>Amount</b>
Outstanding dues to material creditors	01	139.64
Outstanding dues to small scale undertakings	15	2.27
Outstanding dues to other creditors	249	1,905.96
<b>Total outstanding dues</b>		<b>2,047.87</b>

Complete details of outstanding dues to our creditors as on December 31, 2020 are available at the website of our Company, [www.umaconverter.com](http://www.umaconverter.com). Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, [www.umaconverter.com](http://www.umaconverter.com), would be doing so at their own risk. For further details, refer to the section titled "*Financial Information*" on page 205 of this Draft Red Herring Prospectus.

**7. MATERIAL DEVELOPMENT SINCE DECEMBER 31, 2020.**

There have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months. For further details, please refer to the chapter titled "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on page 254 of this Draft Red Herring Prospectus.

**8. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS**

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

*We are required to obtain consents, licenses, registrations, permissions and approvals for carrying out our present business activities. Our Company has obtained the necessary material consents, licenses, permissions and approvals from the Government and various Government agencies required for our present business and carrying on our business activities. For details in connection with the regulatory and legal framework within which we operate, please refer the chapter “Key Industrial Regulations and Policies” on page 163 of this Draft Red Herring Prospectus. The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities.*

*The following statements set out the details of licenses, permissions and approvals taken by our Company under various central and state laws for carrying out the business:*

### **I. Issue related Approvals**

For the approvals and authorizations obtained by our Company in relation to the Issue, see “*Other Regulatory and Statutory Disclosures – Authority for the Issue*” on page 287 of this Draft Red Herring Prospectus.

### **II. Approvals from the Stock Exchanges**

- a) Our Company has received an in-principle approval from NSE dated [●] for listing of Equity Shares issued pursuant to the Issue.
- b) Our Company has received an in-principle approval from BSE dated [●] for listing of Equity Shares issued pursuant to the Issue.
- c) Our Company’s ISIN is INE067901012.

### **III. General Approvals**

- a) Certificate of Incorporation dated June 18, 1999 under the Companies Act, 1956 issued by Registrar of Companies, Gujarat, Dadra & Nagar Haveli.
- b) Fresh Certificate of Incorporation dated September 27, 2018 under the Companies Act, 2013 issued by Registrar of Companies, Ahmedabad, consequent upon conversion of our Company from a private limited company to a public limited company and subsequent change of name to “*Uma Converter Limited*”.
- c) Acknowledgment under Industrial Entrepreneurs Memorandum Section dated June 19, 2019 for manufacturing of Flexible Plastic Packing Material issued by GOI, Ministry of Commerce & Industry, Secretariat for Industrial Assistance Industrial Entrepreneurs Memorandum Section for our manufacturing unit situated at Timba bearing No. 1119/SIA/IMO/2019 (Online Ref No. IEM263408).
- d) Acknowledgment under Industrial Entrepreneurs Memorandum Section dated March 27, 2019 for manufacturing of Flexible Plastic Packing Material issued by GOI, Ministry of Commerce & Industry, Secretariat for Industrial Assistance Industrial Entrepreneurs Memorandum Section for Santej Unit, bearing No. 552/SIA/IMO/2019(Online ref No. 26211).
- e) Intimation letter dated February 02, 2019 issued for allotment of code number GJAHD0029975000 issued under Employees’ Provident Fund and Miscellaneous Provisions Act, 1952 by the Regional Office, Ahmedabad to Uma Converter Limited.
- f) Certificate of Importer-Exporter Code dated October 17, 2003 bearing IEC number 0803007736 issued by Additional Director General of Foreign Trade, Ministry of Commerce and Industry.



- g) Udyam Registration Certificate dated November 24, 2020 bearing Registration Number UDYAM-GJ-09-0002544 issued by Ministry of Micro, Small & Medium Enterprises.

#### IV. Tax Related Approvals

- a) Our Company's permanent account number issued by the Income Tax Department is AAACU4076B.
- b) Our Company's tax deduction and collection number dated December 10, 2018 issued by the Income Tax Department is AHMU02733D.
- c) Registration certificate of goods and services tax (Gujarat) bearing registration number 24AAACU4076B1ZQ dated November 14, 2019 issued by the Government of India for our branch office situated at A/36, Circle -B, 4th Floor, Judges Bungalow Road, Bodakdev, SG Highway, Ahmedabad, Gujarat, 380 015 and our manufacturing units situated at Block No 291, 294, 295, 296, Timba, Ahmedabad, Gujarat, 382425 and Block No 868, Sola Santej Road, Kalol, Santej, Gandhinagar, Gujarat, 382 721.
- d) Profession tax registration certificate bearing No. 06010590228 for Company and No. 06010590229 for Employees dated December, 2019 issued by the Dy. Professional Tax Commissioner and District Development Officer, Kalol issued under the Gujarat State Tax on Profession, Trades, Callings and Employment Act, 1976.
- e) Professional tax registration certificate bearing number PEP-07030052003 dated July 22, 2020 issued by Timba Gram Panchayat issued under the Gujarat State Tax on Profession, Trades, Callings and Employment Act, 1976.
- f) Professional tax enrollment certificate bearing number E232065445 dated January 27, 2000 issued by Government of Gujarat for Santej Unit under the Gujarat State Tax on Profession, Trades, Callings and Employment Act, 1976.
- g) Professional tax enrollment certificate bearing number PEP-07030052003 dated July 10, 2020 issued by Government of Gujarat for Timba Unit under the Gujarat State Tax on Profession, Trades, Callings and Employment Act, 1976.

#### V. Business Related Approvals

As mentioned hereinabove, we require various approvals, licenses, registrations and permits to carry on our operations in India. Some of these may expire in the ordinary course of business and applications for renewal of such approvals are submitted in accordance with applicable procedures and requirements. An indicative list of the material approvals required by our Company for conducting our operations is provided below.

1. The following is the list of the business-related approvals which have been availed for our manufacturing unit situated at Block No. 291,294,295 and 296, Village Timba, Dascroi, Ahmedabad, Gujarat, India – 382 425

Sr. No.	Type of License/Approval	Issuing Authority	Reference / Registration / License No.	Date of Issue/Renewal	Valid up to
1.	License to work a factory	Director, Directorate Industrial Safety and Health, Gujarat State	Registration No. 10504/18115/2019 License number. 39968	November 11, 2020	December 31, 2025
2.	Consent to Establish (NOC) under Section 25 of Water Act, 1974, Section 21 of Air Act, 1981 and EPA-1986 for setting up of an industrial plant/ activity.	Member Secretary, Gujarat Pollution Control Board	CTE- 35265 Certificate number: GPCB/RO-ABD (E)/GEN-1649/ID-69220/2019	March 25, 2019	March 24, 2024

Sr. No	Type of License/Approval	Issuing Authority	Reference / Registration / License No.	Date of Issue/Renewal	Valid up to
3.	Consent & Authorization under section-25 of the Water (Prevention and Control of Pollution) Act-1974, under section-21 of the Air (Prevention and Control of Pollution) Act-1981 for the use of outlet for the discharge of trade effluent & emission due to operation of industrial plant	Regional Officer, Gujarat Pollution Control Board	AWH- 40705 Certificate number: GPCB/RO-ABD (E)/ GEN-1649/ ID- 69220/ 2020	February 13, 2020	January 22, 2035
4.	Approval for Plastic Waste Management Action Plan for Back Collection of Plastic Waste under Rule 9 & 13 of Plastic Waste Management Rules, 2016	Mission Director, Swachh Bharat Mission- Urban with the approval of Urban Development and Urban Housing Development	Certificate number: SBM/PWM/ AP-ABD /34/1021	December 03, 2020	August 25, 2023
5.	Registration for producer or brand owners under Rule 13(2) of Plastic Waste Management Rules, 2016	Regional Officer, Gujarat Pollution Control Board	GPCB/PWMR/PMS/2021/12 2 Certificate number: GPCB/RO-ABD (E) /GEN-1649/ ID-69220/2021	March 21, 2021	February 16, 2024
6.	Memorandum of understanding executed between our Company and M/s. Akshar Engineers for collection, segregation, transportation, recycling and disposal of non MLP/MLP plastic waste	-	-	March 01, 2020	February 28, 2023
7.	Registration Certificate under Section 7 of the Contract Labour (Regulation and Abolition) Act, 1970	Asst. Labour Commissioner, Deputy Labour Commissioner Office, Ahmedabad	AHD/2019/CLRA/349	November 15, 2019	-
8.	Registration of Generating Sets under Gujarat Electricity Duty Act, 1958 (Capacity – 125 KVA)	Office of the Collector of Electricity Duty	01-01414-002-15521	October 01, 2020	-
9.	Registration of Generating Sets under Gujarat Electricity Duty Act, 1958 (Capacity – 500 KVA)	Office of the Collector of Electricity Duty	01-01414-001-15507	October 01, 2020	-
10.	NOC for Ground Water Abstraction	Government of India, Ministry of Jal Shakti, Department of Water Resources, River Development & Ganga Rejuvenation Central Ground Water Authority	NOC number: CGWA/NOC/IND/ORIG/202 1/10892	November 11, 2020	November 10, 2023
11.	Fire Safety Certificate	Regional Fire Officer, State Fire Prevention Services, Gandhinagar	SFPS/FIRE NOC/R-3/051/2020	October 29, 2020	October 28, 2021
12.	Certificate of Eligibility for Exemption from	Collector of Electricity Duty, Gandhinagar	F/EX/AIU/Ahmedabad/2020/ 01/344	December 08, 2020	October 24, 2024

Sr. No.	Type of License/Approval	Issuing Authority	Reference / Registration / License No.	Date of Issue/Renewal	Valid up to
	Payment of Electricity Duty for an Additional Unit of the Industrial Undertaking			Valid from: January 24, 2020	
13.	Certificate of Stability	Director Industrial Safety & Health, Gujarat	Certificate number: UMA-01A/11/2019	November 23, 2019	November 22, 2024
14.	Letter granting new HT connection of 1000 KVA for giving power supply, 12km line from 66 KV Navagam substation*	Chief Engineer, Uttar Gujarat Vij Company Ltd	Certificate number: UGVCL/Regd./Com/HT/2617	November 17, 2018	-
15.	Letter of approval for additional 700 KVA Addl. HT Power supply to Timba Unit	Chief Engineer, Uttar Gujarat Vij Company Ltd	Certificate number:UGVCL/Regd./Com/HT/34490/2068	November 17, 2020	
16.	Letter of approval to release 450 KVA power supply for Timba Unit	Superintending Engineer, Uttar Gujarat Vij Company Ltd	Certificate number: UGVCL/SE/Tech-1/HT/3938	May 03, 2019	-
17.	Service Agreement executed with Ambuja Cements Limited for disposal of plastic waste in an environmental friendly manner.	-	-	December 29, 2020	October 31, 2023
18.	Registration for rooftop solar PV system under Gujarat Solar Power Policy- 2015 for the year 2018-2019	Gujarat Energy Development Agency	UG/HT/10052254	February 28, 2020	-
19.	Approval to the drawing of electrical installation of grid connected solar power plant along with associated equipments	Office of the Electrical Inspector, Ahmedabad	No/EI/Ahm/Plan/ 36642/2020	October 09, 2020	-
20.	Approval for electrical installation of 74.37 KW grid connected solar power plant along with associated equipments	Office of the Electrical Inspector, Ahmedabad	No/EI/Ahm/Certi/ 40575/2020	December 28, 2020	-

\*The name of our Company is reflecting as 'Uma Converter Private Limited' in this license.

2. The following is the list of the business-related approvals which have been availed for our manufacturing unit situated at Block No: 868, 870, 871 Sola Santej Road, Santej, Kalol, Gandhinagar, Gujarat, India – 382 721

Sr. No.	Type of License/Approval	Issuing Authority	Reference / Registration / License No.	Date of Issue/Renewal	Valid up to
1.	License to work a factory	Deputy Director, Industrial Safety and Health, Gandhinagar	Registration number: 486/25202/2000 License No. 14520	November 02, 2020	December 31, 2025
2.	Consent to Establish under Section25 of the Water (Prevention and Control of Pollution) Act-1974, Section21 of the Air (Prevention and Control of Pollution)	Environment Engineer, Gujarat Pollution Control Board	CTE number 14372 Certificate number: GPCB/RO-GNR-216 (1)/ ID-16695/15657/2167  CTE number: 32383	Date of issue: April 25, 2014  Date of amendment:	December 25, 2023

Sr. No.	Type of License/Approval	Issuing Authority	Reference / Registration / License No.	Date of Issue/Renewal	Valid up to
	Act-1981 and Environment (Protection) Act- 1986*		Certificate number: GPCB/RO-GNR-216 / ID-16695/163	December 26, 2018	
3.	Consolidated Consent and Authorization under section-25 of the Water (Prevention and Control of Pollution) Act-1974, under section-21 of the Air (Prevention and Control of Pollution) Act-1981 for the use of outlet for the discharge of trade effluent and emission due to operation of industrial plant	Environment Engineer, Gujarat Pollution Control Board	AWH-39592 Certificate number: GPCB/RO-GNR-216 (1)/ ID-16695/1609/2194	November 30, 2019	December 07, 2024
4.	Registration for producer or brand owners under Rule 13(2) of Plastic Waste Management Rules, 2016	Environment Engineer, Gujarat Pollution Control Board	GPCB/PWMR/PMS/2021/118 Certificate number: GPCB/RO-GNR /PLASTIC-1/ ID-16695/2826/ 16679	March 17, 2021	March 17, 2024
5.	Approval for Plastic waste management action plan for back collection of plastic waste under Rule 9 & 13 of Plastic Waste Management Rules, 2016	Mission Director, Swachh Bharat Mission- Urban with the approval of Urban Development and Urban Housing Development	Certificate number: SBM/PWM/ AP-GNR/16/1020	December 03, 2020	February 28, 2023
6.	Memorandum of understanding executed between our Company and M/s. Akshar Engineers for collection, segregation, transportation, recycling and disposal of non MLP/MLP plastic waste	-	-	March 01, 2020	February 28, 2023
7.	Registration Certificate issued under Section 7 of the Contract Labour (Regulation and Abolition) Act, 1970	Assistant Labour Commissioner Office, Mehsana	MHS/2016/CLRA/404/2005	June 24, 2019	-
8.	Registration of DG Set under Bombay Electricity Duty Act, 1958*	Collector of Electricity, Gandhinagar	02-0354-001-08860	July 07, 2009	-
9.	Registration – cum Membership certificate issued by the Plastics Exports Promotion Council	Junior Executive, the Plastics Exports Promotion Council	PLEPC/U/117/2013-2014	May 15, 2018	March 31, 2023
10.	No objection certificate issued for ground water abstraction*	Government of India, Ministry of Jal Shakti, Department of Water Resources, River Development & Ganga	CGWA/NOC/IND/ORIG/2021 /11018	Valid from: February 17, 2021	February 16, 2023

Sr. No.	Type of License/Approval	Issuing Authority	Reference / Registration / License No.	Date of Issue/Renewal	Valid up to
		Rejuvenation Central Ground Water Authority			
11.	Grant of Permission to Printing Press Issued under the provision of General Grading & Marking Rules, 1988 notified under Agriculture Produce (Grading & Marking) Act, 1937 for manufacturing poly films and poly pouch.	Directorate of Marketing & Inspection, Department of Agriculture Co-Operation & Farmers Welfare	3701/2/AHD/001	January 12, 2021	December 31, 2022
12.	Service Agreement executed with Ambuja Cements Limited for disposal of plastic waste in an environmental friendly manner.	-	-	December 29, 2020	October 31, 2023
13.	Fire Safety Certificate	Regional Fire Officer, State Fire Prevention Services, Gandhinagar	SFPS/FIRE NOC/R-3/051/2020	June 02, 2021	June 01, 2022
14.	Registration for rooftop solar PV system under Gujarat Solar Power Policy- 2021	Gujarat Energy Development Agency	UG/HT/10069945	June 02, 2021	-

\* The name of our Company is reflecting as 'Uma Converter Private Limited' in this license.

## VI. Quality Related Approvals

- The following is the list of the quality related approvals which have been availed for our manufacturing unit situated at Block No. 291,294,295 and 296, Village Timba, Dascroi, Ahmedabad, Gujarat, India – 382 425

Sr. No.	Type of License / Approval	Issuing Authority	Registration No.	Date of Issue	Valid upto
1.	Certificate issued for certifying that manufacturing of printed and laminated flexible packaging material in roll and pouch form meet the requirements of ISO 9001:2015.	SGS United Kingdom Limited	IN20/818844052	May 06, 2020	May 06, 2023
2.	Certificate issued for certifying that food safety management systems meet the requirements of FSSC 22000.	SGS United Kingdom Limited	IN21/818844765	April 07, 2021	April 07, 2024
3.	Certificate issued for certifying that blown film extrusion, rotogravure printing, lamination, slitting and pouching of PE/PP/PET/paper based	SGS United Kingdom Limited	IN21/818844387	May 05, 2021	April 29, 2022

Sr. No.	Type of License / Approval	Issuing Authority	Registration No.	Date of Issue	Valid upto
	flexible laminate rolls and pouches for food and non-food packaging applications meet the global standard for packaging materials.				

2. The following is the list of the quality related approvals which have been availed for our manufacturing unit situated at Block No: 868, 870, 871 Sola Santej Road, Santej, Kalol, Gandhinagar, Gujarat, India – 382 721 and our Head Office situated at A/36, Circle B, 4th Floor, Judges Bunglow Road, S. G. Highway, Bodakdev, Ahmedabad 380 015, Gujarat, India.

Sr. No.	Type of License / Approval	Issuing Authority	Registration No.	Date of Issue	Valid upto
1.	Certificate of Registration issued for application of food safety management system approved by Alcumus ISOQAR and compliant with the requirement of ISO 22000:2005.	Technical Director, Alcumus ISOQAR	6924-Q15-001	May 21, 2020	June 19, 2023
2.	Certificate of Registration for application of food safety management system approved by Alcumus ISOQAR and compliant with the requirement of ISO 22000:2005	Technical Director, Alcumus ISOQAR	6924-FSM-001	May 31, 2020	June 30, 2021

#### **VII. Intellectual Property Related Approvals**

As on date of this Draft Red Herring Prospectus, our Company has not applied for or availed any intellectual property approvals.

Our current name and logo, is not owned or registered as a trade name or trademark by our Company under the provisions of the Trademarks Act, 1999, for risks relating to the same, please refer to Risk Factor number 28 – “*If our Company is unable to protect its intellectual property, or if our Company infringes on the intellectual property rights of others, our business may be adversely affected*” in the chapter titled “*Risk Factors*” on page 41 of this Draft Red Herring Prospectus.

#### **VIII. Licenses/ Approvals for which applications have been made by our Company for the expansion of our production facilities situated at Timba:**

Our Company has made an application dated June 28, 2021 bearing number IEM/B/ACK/272649/2021 to the Department for Promotion of Industry and Internal Trade under the Industries (Development and Regulation) Act, 1951 seeking approval for the proposed expansion of our manufacturing facilities from 5,400 MTPA to 9,000 MTPA.

#### **IX. Licenses/ Approvals for which applications have been made by our Company and are pending:**

Nil

#### **X. Licenses/ Approvals for which applications have been made by our Company and are pending:**

Nil

***XI. Licenses / approvals which have expired and for which renewal applications have not been made by our Company.***

Nil

***XII. Licenses / Approvals which are required but not yet applied for by our Company:***

Our Company is yet to apply for the revised consent to establish for our manufacturing unit situated at Timba from Gujarat Pollution Control Board for the proposed expansion in the said unit. For risk relating to the same, please refer to the “*Risk Factor Number 35: Our inability to receive or renew the necessary licenses, approvals and registrations in a timely manner or at all may lead to interruption of our Company’s operations*” in the chapter titled “*Risk Factors*” at page 44 of this DRHP.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

- The Board has, pursuant to its resolution dated April 20, 2021, authorised the Issue under Section 62(1) (c) of the Companies Act, 2013.
- The Shareholders of our Company have, by a special resolution passed at an EGM held on May 20, 2021, approved and authorized the Issue.
- The Board and IPO Committee have approved this Draft Red Herring Prospectus pursuant to its resolution dated June 30, 2021.
- SEBI observation letter bearing reference no. [●] dated [●].
- In-principle approval for the listing of our Equity Shares from NSE dated [●].
- In-principle approval for the listing of our Equity Shares from BSE dated [●].

### **Prohibition by SEBI or other Governmental Authorities**

Our Company, Promoters, Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Red Herring Prospectus.

### **Directors associated with the Securities Market**

Except as stated below, none of our Directors are associated with the securities market in any manner and there is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Draft Red Herring Prospectus:

Our Independent Director, Ashok Ruplal Kavdia is a director on the board of directors of Chartered Capital and Investments Limited, which is associated with the securities markets. There is no outstanding action initiated by SEBI against Chartered Capital and Investments Limited as on date of this Draft Red Herring Prospectus.

Our Promoters or our Directors have not been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018.

### **Prohibition by RBI**

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

### **Compliance with Companies (Significant Beneficial Ownership) Rules, 2018**

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

### **Eligibility for the Issue**

Our Company is eligible for the Issue in accordance with Regulation 6(2) of the SEBI ICDR Regulations, which states as follows:



*“An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy five per cent. of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.”*

We are an unlisted company, not satisfying the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations and are therefore required to allot not less than 75% of the Issue to QIBs to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. In the event we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

Our Company confirms that it is in compliance with conditions specified in Regulation 7(1) of the SEBI ICDR Regulations to the extent applicable and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable. The fund requirements set out for the Objects of the Issue are proposed to be met entirely from the Net Proceeds.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be allotted will be not less than 1,000 failing which, the entire application monies shall be refunded forthwith.

If our Company does not Allot Equity Shares pursuant to the Issue within six Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delay period.

Further, our Company confirms that it is not ineligible to make the Issue under Regulation 5 of the SEBI ICDR Regulations to the extent applicable. Our Company is in compliance with the conditions specified in Regulation 5 of the SEBI ICDR Regulations, as follows:

- a) Neither our Company, nor our Promoters, nor members of our Promoter Group, nor any of our Directors are debarred from accessing the capital markets by the SEBI.
- b) None of our Promoters nor our Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- c) Neither our Company nor the Promoters or any of our Directors is a Wilful Defaulter.
- d) None of our Promoters or Directors is a Fugitive Economic Offender.
- e) There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY 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 THIS DRAFT RED HERRING PROSPECTUS. THE BRLM, GYR CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (“SEBI ICDR REGULATIONS”). THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLM IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLM GYR CAPITAL ADVISORS PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JUNE 30, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS.**

**THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE 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 BRLM, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.**

All legal requirements pertaining to the Issue will be complied with by the respective parties at the time of filing of the Red Herring Prospectus and Prospectus with the RoC in terms of Section 32 and 26 of the Companies Act, 2013.

#### **Disclaimer from our Company, our Directors and the BRLM**

Our Company, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website [www.umaconverter.com](http://www.umaconverter.com) or the respective websites of our Promoter Group or an affiliate of our Company would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

None among our Company or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise and the blocking of application amount by RIB bank on receipt of instruction from the Sponsor Bank on account of any error, omission or non-compliance by various parties involved in, or any fault, malfunctioning or break-down in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, 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 the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, 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.

The BRLM and their associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoters, Promoter Group and their respective directors and officers, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, our Promoters, Promoter Group, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

#### **Disclaimer in respect of Jurisdiction**

The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, VCFs, FVCIs, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), NBFCSIs or trusts under registered applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI and permitted non-residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) at Gujarat, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or 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 U.S. Securities Act.

#### **Disclaimer Clause of BSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the filing with the RoC.

#### **Disclaimer Clause of NSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the filing with the RoC.

#### **Listing**

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Applications shall be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares of our Company. NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges mentioned above are taken within six (06) Working Days of the Bid/Issue Closing Date.

If our Company does not Allot Equity Shares pursuant to the Issue within six (06) Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by SEBI, it shall repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

### **Impersonation**

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 2013, which is reproduced below:

*“Any person who –*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under section 447.”*

The liability prescribed under Section 447 of the Companies Act 2013 includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

### **Consents**

Consents in writing of: (a) our Directors, our Promoters, our Company Secretary and Compliance Officer, our Chief Financial Officer, legal advisor, lenders to our Company, Bankers to our Company and (b) the BRLM, the Syndicate Members, the Public Issue Bank(s), the Escrow Collection Bank(s), Refund Banker, Sponsor Bank and the Registrar to the Issue to act in their respective capacities, have been obtained/will be obtained prior to filing of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for filing with RoC.

Our Company has received written consent dated June 27, 2021 from our Statutory Auditors, namely, M/s. Bhanwar Jain & Co., Chartered Accountants, who holds a valid peer review certificate for inclusion of their report, dated June 25, 2021 on the Restated Financial Information in this Draft Red Herring Prospectus and to include their name as required under Section 26(5) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an ‘expert’ as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated June 27, 2021 in the form and context in which it appears in this Draft Red Herring Prospectus. Such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI.

### **Experts**

Our Company has received written consent dated June 27, 2021 from our Statutory Auditor, namely, M/s. Bhanwar Jain & Co., Chartered Accountants, who holds a valid peer review certificate, to include their name as required under Section 26(5) of the Companies Act 2013 in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to its examination report, dated June 25, 2021 on the Restated Financial Information and the Statement of Tax Benefits dated June 27, 2021 and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

#### **Particulars regards previous public or rights issues by our Company during the last five years**

Our Company has not undertaken any public or rights issue (as defined in the SEBI ICDR Regulations) in the five years preceding the date of this Draft Red Herring Prospectus. For details of other capital issues undertaken by our Company, please refer to "*Capital Structure – Notes to the capital structure – Share capital history of our Company*" on page 77 of this Draft Red Herring Prospectus.

#### **Commission and Brokerage paid on previous issues of the Equity Shares**

Since this is an initial public offering of the Equity Shares of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

#### **Capital issue during the previous three years by listed group companies, subsidiaries and associates of our Company**

Except as disclosed in "*Capital Structure – Notes to the capital structure – Share capital history of our Company*" on page 77, our Company has not undertaken any capital issues in the last three years preceding the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, our Group Company has not listed its equity shares on any stock exchanges in India or overseas. Further, presently our Company does not have any subsidiaries or associate companies.

#### **Performance vis-à-vis objects – Public/Rights Issue of our Company**

Our Company has not undertaken any public or rights issue (as defined in the SEBI ICDR Regulations) in the five years preceding the date of this Draft Red Herring Prospectus.

#### **Performance vis-à-vis objects – Last issue of listed Subsidiaries or Associates or Promoters**

As on date of this Draft Red Herring Prospectus, our Company does not have any associate companies or subsidiaries.

#### **Price information of past issues handled by GYR Capital Advisors Private Limited**

As on date of this Draft Red Herring Prospectus, the BRLM has not listed any issues on the Stock Exchanges.

#### **Stock Market Data of the Equity Shares**

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange. Thus, there is no stock market data available for the Equity Shares of our Company.

#### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debentures, warrants, securities premium notes, etc. issued by our Company.

## **Mechanism for Redressal of Investor Grievances**

The agreement amongst the Registrar to the Issue and our Company provides for the retention of records with Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach Registrar to the Issue for redressal of their grievances.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹ 100 or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/ partially-allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Manager shall compensate the investors at the rate higher of ₹ 100 or 15% per annum of the application amount.

All grievances other than of Anchor Investors may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, UPI ID (as applicable) Bidder DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Bidder.

All grievances in relation to the Bidding process may be addressed to the Registrar to this Issue with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the Sole or First Bidder, Bid cum Application Form number, UPI ID (if applicable), Bidder DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than RIBs bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of RIBs applying through the UPI Mechanism.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLM and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs, Syndicate Members, RTA, CDPs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

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

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

Our Company, the BRLM and the Registrar to the Issue accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

## **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or Registrar to the Issue or SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be ten (10) Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

The Company has obtained authentication on the SCORES and complied with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders' Relationship Committee comprising, of three (03) Directors viz. Pradeep Randhirmal Lodha, Sumer Raj Lodha and Abhishek Sumerraj Lodha. For details of the Stakeholders' Relationship Committee, see the section titled "*Our Management*" on page 179 of this Draft Red Herring Prospectus.

Our Company has also appointed Parth Bharkumar Kamdar, Company Secretary of our Company, as the Compliance Officer for the Issue and he may be contacted in case of any pre-Issue or post-Issue related problems at the following address:

**Parth Bharkumar Kamdar**  
**Company Secretary and Compliance Officer**  
**Uma Converter Limited**

Block number 868,  
Near CNG Petrol Pump,  
Santej Road, Village - Santej,  
Taluka - Kalol, Gandhinagar- 382 721,  
Gujarat, India.

**Telephone:** +91 93 2710 3652

**E-mail:** cs@umaconverter.com

**Investor grievance id:** investors@umaconverter.com

**Website:** www.umaconverter.com

Our Company has not received investor complaints during the period of three years preceding the date of the Draft Red Herring Prospectus, hence no investor complaint in relation to our Company is pending as on the date of filing of this Draft Red Herring Prospectus. As on date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries and our Group Company is not listed on any stock exchange in India or abroad.

## SECTION VII – ISSUE INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, the Memorandum of Association and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/ Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

#### The Issue

The Issue is a fresh issue of Equity Shares by our Company. The entire Issue-related expenses shall be borne by our Company only. For further information on the Issue-related expenses, see “*Objects of the Issue*” on page 93 of the Draft Red Herring Prospectus.

#### Ranking of the Equity Shares

The Equity Shares being issued pursuant to this Issue shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association, the SEBI Listing Regulations and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The Allottees upon Allotment of Equity Shares under the Issue will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section titled “*Description of Equity Shares and Terms of Articles of Association*” on page 328 of this Draft Red Herring Prospectus.

#### Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum of Association and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines issued by the Government in this regard. Dividends, if any declared by our Company after the date of Allotment, will be payable to the Bidders who have been allotted Equity Shares in this Issue, for the entire year, in accordance with the applicable laws. For further details in relation to dividends, see the sections titled “*Dividend Policy*” and “*Description of Equity Shares and Terms of Articles of Association*” on pages 204 and 328, respectively of this Draft Red Herring Prospectus.

#### Face Value and Issue Price

The face value of each Equity Share is ₹ 10. At any given point of time there will be only one denomination for the Equity Shares. The Floor Price of the Equity Shares is ₹ [●] and the Cap Price of the Equity Shares is ₹ [●].

The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLM and will be advertised in all editions of English national newspaper [●], all editions of Hindi national newspaper [●], and all editions of Gujarati newspaper [●] (Gujarati being the regional language of Ahmedabad where our Registered Office is located), each with wide circulation, at least two (2) Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges. The Issue Price shall be determined by our



Company in consultation with the BRLM, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- 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, in accordance with the provisions of the Companies Act;
- Right to receive offers for purchasing rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any rules and regulations issued by RBI and/ or SEBI; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and the Memorandum of Association and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see the section titled “*Description of Equity Shares and Terms of Articles of Association*” on page 328 of this Draft Red Herring Prospectus.

### **Allotment only in Dematerialised Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two tripartite agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated March 05, 2019 between NSDL, our Company and the Registrar to the Issue; and
- Tripartite Agreement dated March 08, 2019 between CDSL, our Company and the Registrar to the Issue.

Our Company’s shares bear ISIN no. INE067901012.

### **Market Lot and Trading Lot**

Since trading of the Equity Shares is in dematerialised form, the tradable lot is 01 (one) Equity Share. Allotment in the Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

### **Joint Holders**

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

### **Nomination facility to Bidders**

In accordance with Section 72 of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his

or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, interests, 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 mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

#### **Jurisdiction**

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities in Ahmedabad, Gujarat.

**The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States (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 are only being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

#### **Withdrawal of the Issue**

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company shall issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also forthwith inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed. If our Company withdraws the Issue after the Bid/Issue Closing Date, we shall be required to file a fresh draft offer document with the Board, in the event our Company subsequently decides to proceed with the Issue.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

In the event of failure to make an application for listing by the Company within such period as may be specified by the SEBI from time to time, or non-receipt of the listing permission by the issuer from the stock exchange(s) or withdrawal of the Observation Letter issued by the SEBI, wherever applicable, the securities shall not be eligible for listing and the Company shall be liable to refund the subscription monies, if any, to the respective allottees immediately, along with penal interest for each day of delay at the rate of fifteen per cent per annum from the date of allotment.

## Bid/Issue Programme

BID/ISSUE OPENS ON	[●]*
BID/ISSUE CLOSES ON	[●]**

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

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

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Bid/Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account or UPI ID linked bank account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

\*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLM shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked.

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

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

In terms of the UPI Circulars, in relation to the Issue, the BRLM will submit reports of compliance with T+6 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

### Submission of Bids (other than Bids from Anchor Investors):

Bid / Issue Period (except the Bid / Issue Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. Indian Standard Time (“IST”)
Bid / Issue Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

**On the Bid/Issue Closing Date, the Bids shall be uploaded until:**

- i. 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- ii. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

On the Bid/Issue Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchanges.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.**

**In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in physical Bid cum Application Form, for a particular Bidder the details of the Bid file received from Stock Exchanges may be taken as final data for purposes of Allotment.**

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bidders may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays, Sundays and public holidays as declared by the Stock Exchanges. Bids will be accepted only during Monday to Friday (excluding any public holiday). Bids by the Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges. None of our Company or any member of the Syndicate shall be liable for any failure in (i) uploading or downloading the Bids due to faults in any software/hardware system or otherwise; and (ii) the blocking of application amount by RIBs bank on receipt of instruction from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism. Any time mentioned in this Draft Red Herring Prospectus is Indian Standard Time. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Issue Period, provided that, the Cap Price shall not be more than 120% of the Floor Price, and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and Cap Price will be revised accordingly.

In case of any discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the Bid cum Application form for a particular Bidder, the details as per the Bid file received from Stock Exchanges shall be taken as the final data for the purpose of Allotment.

**In case of revision in the Price Band, or in case of force majeure, banking strike or similar circumstances, which are to be recorded in writing, the Bid/Issue Period shall be extended by at least three (3) additional Working Days after such an event, subject to the Bid/Issue Period not exceeding ten (10) Working Days. Any revision in Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members and by intimation to the Designated Intermediaries.**

**Period of operation of subscription list**

See the sub-section titled “*Terms of the Issue – Bid/ Issue Programme*” on page 298 of this Draft Red Herring Prospectus.

**Minimum Subscription**

As prescribed, the minimum subscription in the Issue shall be 90% of the Issue. If our Company does not receive (i) the minimum subscription of 90% of the Issue on the Bid/Issue Closing Date; and (ii) minimum subscription in the Issue equivalent to the minimum number of securities as specified under Rule 19(2)(b) of the SCRR, or if the subscription level falls below 90% after the closure of the Issue on account of withdrawal of applications, or after technical rejections, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares to be listed on such Stock Exchanges, our Company shall forthwith refund the entire subscription amount received.

In accordance with SEBI Circular dated March 31, 2021 bearing number SEBI/HO/CFD/DIL1/CIR/P/2021/47 and Regulation 45 of the SEBI ICDR Regulations, in the event of non-receipt of minimum subscription, our Company shall refund the entire application money received pursuant to this Issue within a period of four (04) days from the date of closure of the Issue. If there is a delay beyond four days after the issuer becomes liable to pay the amount, our Company and every Director of our Company who are officers in default, shall pay interest at the rate of 15% per annum.

Further, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of the SEBI ICDR Regulations.

#### **Arrangement for Disposal of Odd Lots**

Since our Equity Shares will be traded in dematerialised form only and the market lot of our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

#### **Restrictions on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre – Issue Equity Share capital of our Company, Promoters’ minimum contribution and the Anchor Investor lock-in Equity Shares as detailed in “*Capital Structure*” beginning on page 76 of this Draft Red Herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on transmission of Equity Shares and on their consolidation/ splitting, except as provided in the Articles of Association. For details, see “*Description of Equity Shares and Terms of Articles of Association*” beginning on page 328 of this Draft Red Herring Prospectus.

## ISSUE STRUCTURE

Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹ 3,600 lacs. The Issue will constitute [●]% of the post-Issue paid-up Equity Share capital of our Company.

The face value of equity shares is ₹ 10 each.

The Issue is being made through the Book Building Process.

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment / allocation <sup>*(2)</sup>	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue size available for Allotment/ allocation	Not more than 75% of the Issue size.  However, up to 05% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available for allocation to other QIBs.	Not less than 15% of the Issue size or Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than 10% of the Issue size or Issue less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion):  (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and  (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.  Up to [●] Equity Shares may be allocated on a discretionary basis to the Anchor Investors.  Our Company in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only.	Proportionate	The allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, see “Issue Procedure” on page 304 of this Draft Red Herring Prospectus.
Mode of Bidding	Through ASBA process only (except Anchor Investors)		

<b>Particulars</b>	<b>QIBs<sup>(1)</sup></b>	<b>Non-Institutional Bidders</b>	<b>Retail Individual Bidders</b>
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares, thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares, thereafter.
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares, thereafter.		
Allotment Lot	A minimum [●] Equity Shares and in multiples of one Equity Share, thereafter.		
Mode of Allotment	Compulsorily in dematerialized form		
Trading Lot	One Equity Share		
Who can apply <sup>(4)</sup>	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual funds, FPIs other than Category III foreign portfolio investors, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund (subject to applicable law) with minimum corpus of ₹ 2,500 lacs, pension fund with minimum corpus of ₹ 2,500 lacs, National Investment Fund set up by the Government of India, 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 and systemically important non-banking financial companies (as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations).	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III foreign portfolio investors	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA (excluding for Anchor Investors) Form at the time of submission of the ASBA Form and in case of UPI as an alternate mechanism, Bid amount shall be blocked at the time of confirmation of mandate collection request by applicant.  In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids. <sup>(3)</sup>		

\* Assuming full subscription in the Issue.

(1) Our Company may, in consultation with the BRLM allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 05% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 05% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs.

(2) Subject to valid Bids being received at or above the Issue Price. This Issue is being made in accordance with Rule 19(2)(b) of the SCRR. The Issue is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR

*Regulations, wherein not more than 75% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 05% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 05% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 10% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price.*

*(3) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form. Provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. For details of terms of payment applicable to Anchor Investors, see "Issue Procedure" on page 304 of this Draft Red Herring Prospectus.*

*(4) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "Terms of the Issue" on page 295 of this Draft Red Herring Prospectus.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.



## ISSUE PROCEDURE

All Bidders should review 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, the circular no. SEBI/HO / CFD / DIL2 / CIR / P / 2020 / 50 dated March 30, 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. The General Information Document has been updated to reflect the amendments to the SEBI ICDR Regulations and provisions of the Companies Act to the extent applicable to a public issue and any other enactments and regulations. The General Information Document shall also be made available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, especially in relation to the process for Bids by RIBs 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.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICELL/11/2015) dated November 10, 2015, as amended and modified by SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018 as amended and modified by SEBI Circulars (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 and (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, SEBI circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, 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 02, 2021, and the provisions of this circular, are deemed to form part of this Red Herring Prospectus.

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) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Bid cum Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Bid cum Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

### **Book Building Procedure**

The Issue is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not more than 75% of the Issue shall be Allotted to QIBs on a proportionate basis, provided that our Company in consultation with the BRLM may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares shall

be added back to the QIB Portion (other than Anchor Investor Portion). 05% of the net QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 10% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except in the QIB 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 BRLM and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, UPI ID (for RIBs using the UPI Mechanism) and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity shares rematerialised subsequent to allotment of Equity shares in the IPO.**

#### **Phased Implementation of Unified Payments Interface**

SEBI has issued the 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 RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six (06) Working Days to upto 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, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six (06) Working Days.

**Phase II:** This phase has become applicable from July 1, 2019. Under this phase, submission of the ASBA Form without UPI by RIBs to Designated Intermediaries (other than SCSBs) for blocking of funds will be discontinued. However, the time duration from public issue closure to listing would continue to be six (06) Working Days during this phase. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, pursuant to SEBI circular dated March 30, 2020, this phase has been extended till further notice.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three (03) Working Days. The final reduced timeline of T+3 days for the UPI Mechanism for applications by RIBs ("**UPI Phase III**") and modalities of the implementation of UPI Phase III maybe notified and made effective subsequently, as may be prescribed by SEBI.

The Issue will be undertaken pursuant to the processes and procedures under UPI Phase [●], subject to any circulars, clarification or notification issued by the SEBI from time to time.

In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the

amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLM shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked.

The BRLM shall be the nodal entity for any issues arising out of public issuance process.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

If the Issue is made under UPI Phase III, the same will be advertised in all editions of the English national daily newspaper, [●], all editions of the Hindi national daily newspaper, [●] and all editions of the Gujarati daily newspaper, [●] (Gujarati being the regional language of Gujarat (Ahmedabad), where our Registered Office is located) on or prior to the Bid / Issue Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

Further, our Company and the members of the Syndicate do not accept any responsibility for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Issue.

Retail Individual Bidders making application using UPI shall use or only his / her own bank account linked UPI ID to make an application in the Issue. The SCSBs upon receipt of the Bid cum Application Form will upload the Bid details along with the UPI ID in the bidding platform of the Stock Exchanges. Applications made by the Retail Individual Bidders using third party bank account or using UPI IDs linked to the bank accounts of any third parties are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. Post uploading the Bid details in the bidding platform, the Stock Exchanges will validate the PAN and demat account details of Retail Individual Bidders with the Depositories.

All SCSBs offering the facility of making applications in public issues shall also provide the facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the Retail Individual Bidders using the UPI.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI 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.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM.

## **Bid cum Application Form**

Copies of the ASBA Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centers, and the Registered Office of our Company. An electronic copy of the ASBA Form will also be available for download on the websites of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)) at least one (01) day prior to the Bid/Issue Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process including through UPI mode (as applicable), to participate in the Issue. ASBA Bidders must provide bank account details/UPI ID linked with bank account and authorisation by ASBA Bank holder to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. Applications made using third party bank accounts or using UPI ID linked with third party bank account are liable to be rejected. The Sponsor Bank shall provide details of the UPI linked bank account of the Bidders to the Registrar to the Issue for purpose of reconciliation.

Since the Issue is made under Phase II of the SEBI UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

1. RIBs (other than the RIBs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
2. RIBs using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
3. QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

RIBs using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

RIBs Bidding using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bid cum Application Forms that do not contain the UPI ID are liable to be rejected. RIBs Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

Further, such Bidders (other than Anchor Investors), including RIBs using the UPI Mechanism, shall ensure that the Bids are submitted at the Bidding Centres only on Bid cum Application Forms bearing the stamp of the relevant Designated Intermediary (except in case of electronic Bid-cum-Application Forms) and Bid cum Application Forms (except electronic Bid-cum-Application Forms) not bearing such specified stamp may be liable for rejection. RIBs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Bid. Designated Intermediaries (other than SCSBs) shall not accept any ASBA Form from a RIB who is not Bidding using the UPI Mechanism.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLM.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

<b>Category</b>	<b>Colour of Bid cum Application Form*</b>
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis^	White

Non-Residents including FPIs or FVCIs (including their sub-accounts), Eligible NRIs applying on a repatriation basis, registered multilateral and bilateral development financial institutions applying on a repatriation basis <sup>^</sup>	Blue
Anchor Investors**	White

\*Excluding electronic Bid cum Application Forms

\*\*Anchor Investors Application forms will be made available only at the Office of the BRLM

<sup>^</sup> Electronic Bid cum Application Forms will also be available for download on the website of the NSE ([www.nseindia.com](http://www.nseindia.com)) and the BSE ([www.bseindia.com](http://www.bseindia.com)).

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms from RIIs bidding using the UPI mechanism) to the respective SCSB, where the Bidder has a bank account with ASBA facility, details of which were provided by the Bidder in his respective ASBA Form and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

For RIBs Bidding 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 RIBs, for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Issue Closing Date (“**Cut-Off Time**”). Accordingly, RIBs Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021.

Applications through UPI can be made only through the SCSBs / mobile applications (apps) whose name appears on the SEBI website – [www.sebi.gov.in](http://www.sebi.gov.in) at the following path:

*Home » Intermediaries/Market Infrastructure Institutions » Recognised Intermediaries » Self Certified Syndicate Banks eligible as Issuer Banks for UPI*

A list of SCSBs and mobile application, which, as on date of this Draft Red Herring Prospectus are live for applying in public issues using UPI mechanism is available on the SEBI website. The RIIs shall submit applications only through the UPI mechanism, which would be the only permissible mode. Therefore the process of an investor submitting bid cum-application form with any intermediary along with bank account details, and movement of such application forms from intermediaries to SCSBs for blocking of funds, has been discontinued by SEBI vide its circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019.

An investor shall ensure that when applying in this Issue using the UPI mechanism, the name of his Bank should appear in the list of SCSBs which is displayed on the SEBI website indicating the names of those banks which are live on UPI. Further, he shall also ensure that the name of the app and the UPI handle being used for making the application is also appearing in the aforesaid list.

Investors whose bank is not live on UPI, may use the other alternate channels available to them viz. submission of application form with SCSB or using the facility of linked online trading, demat and bank account.

An application made using incorrect UPI handle or using a bank account of an SCSBs or bank which is not mentioned in the aforesaid list is liable to be rejected. After the implementation of UPI phase III, the RIBs will not have the option of submitting bid-cum application form with any of the intermediaries for blocking of funds and making bids.

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

### **Electronic Registration of Bids**

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Issue.
- b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Draft Red Herring Prospectus.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

### **Participation of Promoters and members of the Promoter Group of our Company, the BRLM and the Syndicate Members**

The Book Running Lead Manager and the Syndicate Members shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Book Running Lead Manager and the Syndicate Members may Bid for Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Book Running Lead Manager and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the (i) Book Running Lead Manager or any associate of the Book Running Lead Manager (other than mutual funds sponsored by entities which are associate of the Book Running Lead Manager or insurance companies promoted by entities which are associate of the Book Running Lead Manager or Alternate Investment Funds (AIFs) sponsored by the entities which are associate of the Book Running Lead Manager or a foreign portfolio investor other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the Book Running Lead Manager) nor (ii) any person related to the promoter/promoter group/ shall apply under the Anchor Investors category.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a “person related to the Promoters or Promoter Group”: (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoters or members of the Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of a BRLM, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLM.

### **Who can Bid?**

In addition to the category of Bidders, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- Scientific research organisations authorised in India to invest in the Equity Shares; and

- Any other persons eligible to Bid in the Issue under the laws, rules, regulations, guidelines and policies applicable to them.

### **Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

### **Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Participation of Eligible NRI(s) in the Issue shall be subjected to the FEMA Rules.

### **Bids by HUFs**

Hindu Undivided Families or HUFs, shall apply in the individual name of the Karta. The Bidder/Applicant should specify in the Bid cum Application form, that the Bid being made in the name of the HUF, as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

### **Bids by FPIs**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post Issue Equity Share capital. Further, in terms of FEMA, 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. In case the total holding of an FPI increases beyond 10% of the total paid-up equity capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of each series of

debentures or preference shares or share warrants issued by an Indian 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 the investee company and the investor complying with the applicable reporting requirements. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The existing aggregate investment limits for an FPI in our Company is 24% of the total paid-up equity share capital of our Company.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

- (a) such offshore derivative instruments are issued only by persons registered as category I FPIs;
- (b) such offshore derivative instruments are issued only to persons eligible for registration as category I FPIs;
- (c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI; and
- (d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)) and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Further, Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure "MIM Structure") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Participation of FPIs in the Issue shall be subject to the FEMA Rules.

### **Bids by SEBI registered Venture Capital Funds, Alternate Investment Funds and Foreign Venture Capital Investors**

The SEBI FVCI Regulations, as amended and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.



The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third (1/3<sup>rd</sup>) of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up. Our Company and BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

#### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

#### **Bids by banking companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLM reserves the right to reject any Bid without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 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 time-bound 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.

Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

#### **Bids by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars (No. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose

of making application in public issues and clear demarcated funds should be available in such account for such applications.

### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 as amended are broadly set forth below:

- (a) equity shares of a company: the lower of 10% of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

### **Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM reserves the right to reject any Bid, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company and the members of Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation or as specified in the Draft Red Herring Prospectus and Prospectus.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Issue.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance 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 ₹ 25,000 lacs (subject to applicable law) and pension funds with a minimum corpus of ₹ 25,000 lacs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLM in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, a certified copy of (i) the certificate of registration issued by the RBI, (ii) a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s) and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, must be attached to the Bid-cum Application Form.

Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

### **Bids by Anchor Investors**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for upto 60% of the QIB Portion in accordance with the SEBI ICDR Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI ICDR Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the Net QIB Portion. In accordance with the SEBI ICDR Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- i. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLM.
- ii. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 1000 lacs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 1,000 lacs.
- iii. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- iv. Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date, i.e., the Anchor Investor Bidding Date, and will be completed on the same day.
- v. Our Company in consultation with the BRLM may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:
  - a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 1,000 lacs;
  - b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 1,000 lacs but up to ₹25,000 lacs , subject to a minimum Allotment of ₹ 500 lacs per Anchor Investor; and
  - c) in case of allocation above ₹25,000 lacs under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 25,000 lacs, and an additional 10 Anchor Investors for every additional ₹25,000 lacs, subject to minimum allotment of ₹ 500 lacs per Anchor Investor.
- vi. Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain the BRLM before the Bid/ Issue Opening Date, through intimation to the Stock Exchange.

- vii. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- viii. If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
- ix. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- x. The BRLM or any associates of the BRLM (other than mutual funds sponsored by entities which are associate of the BRLM or insurance companies promoted by entities which are associate of the BRLM or Alternate Investment Funds (AIFs) sponsored by the entities which are associate of the BRLM or FPIs other than Category III sponsored by the entities which are associate of the BRLM), our Promoters, Promoter Group or any person related to them will not participate in the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has any of the following rights shall be deemed to be a person related to the promoters or promoter group of the issuer: (i) rights under a shareholders' agreement or voting agreement entered into with promoters or promoter group of the issuer; or (ii) veto rights; or (iii) right to appoint any nominee director on the board of the issuer. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
- xi. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- xii. Anchor Investors are not permitted to Bid in the Issue through the ASBA process.
- xiii. For more information, see the General Information Document.

**The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus. The investment limits for Systemically Important Non-Banking Financial Companies shall be as prescribed by RBI from time to time.**

**In accordance with RBI regulations, OCBs cannot participate in the Issue.**

#### **Pre- Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) all editions of English national newspaper [●]; (ii) all editions of Hindi national newspaper [●]; and (iii) all editions of Gujarati newspaper [●], each with wide circulation.

In the pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

#### **Allotment Advertisement**

Our Company, the BRLM and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of English national daily newspaper, [●], all

editions of Hindi national daily newspaper, [●] and all editions of the Gujarati daily newspaper [●] (Gujarati being the regional language of Ahmedabad (Gujarat), where our Registered Office is located).

### **Signing of the Underwriting Agreement and the RoC Filing**

- (a) Our Company and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the determination of the Issue Price.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

### **General Instructions**

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/ Issue Period and withdraw their Bid(s) until Bid/ Issue Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

#### ***Do's:***

1. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
2. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable laws, rules, regulations, guidelines and approvals;
3. Ensure that you have Bid within the Price Band;
4. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
5. Ensure that you (other than Anchor Investors) have mentioned the correct ASBA Account number and such ASBA account belongs to you and no one else if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form (with maximum length of 45 characters) and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID in the Bid cum Application Form;
6. Ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
7. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the concerned Bidding Centre within the prescribed time. Retail Individual Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;
8. Ensure that parity is maintained across various channels through which applications have been submitted, by using your own bank account or the bank account linked with UPI ID to make applications in this Issue, since applications made using third party bank account or using third party linked bank account are liable for rejection;
9. RIBs Bidding using the UPI mechanism should ensure that the correct UPI ID is mentioned in the Bid cum Application Form;
10. RIBs Bidding shall ensure that the bank, with which such RIB has a bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by the NPCI (only for RIBs using the UPI

Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;

11. An investor shall ensure that when applying in IPO using UPI, the names of his/her Bank, the app and the UPI handle being used for making the application appear in the list of SCSBs displayed on the SEBI website which are live on UPI.
12. Ensure that you request for and receive a stamped Acknowledgement Slip of the ASBA Form for all your Bid options from the concerned Designated Intermediary as proof of registration of the ASBA Form;
13. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
14. Retail Individual Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;
15. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised Acknowledgment Slip;
16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications wherein PAN is not mentioned will be rejected;
17. Ensure that the Demographic Details are updated, true and correct in all respects;
18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
19. Ensure that the name(s) given in the ASBA Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
20. In case of joint Bids, the ASBA Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the ASBA Forms (for all Bidders other than RIBs Bidding using the UPI mechanism);
21. In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form. If the first Bidder is not the ASBA Account holder (or the UPI-linked bank account holder, as the case may be), ensure that the Bid cum Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be);
22. Ensure that you tick the correct investor category and the investor status, as applicable, in the ASBA Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
23. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust, etc., all relevant documents are submitted;
24. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

25. Ensure that the DP ID, the Client ID and the PAN in the ASBA Form entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;
26. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the ASBA Form and the Red Herring Prospectus;
27. Ensure that when applying in the Issue using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the mobile application and the UPI handle being used for making the application in the Issue is also appearing in the “list of mobile applications for using UPI in public issues” displayed on the SEBI website;
28. Ensure that while Bidding through a Designated Intermediary that the Bid cum Application Form is submitted to a Designated Intermediary (other than for Anchor Investors and RIBs Bidding through the UPI mechanism) in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
29. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form;
30. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
31. Ensure that you have correctly signed the authorization/undertaking box in the ASBA Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank via the electronic Mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form;
32. For RIBs bidding using the UPI mechanism, ensure that you approve the request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment, in a timely manner;
33. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI mandate request and then proceed to authorise the UPI request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI mandate request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;
34. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Issue Closing Date;
35. RIBs bidding using the UPI mechanism should mention valid UPI ID of only the Applicant (in case of single account) and of the first Applicant (in case of joint account) in the Bid cum Application Form; and
36. RIBs bidding using the UPI mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of allotment in a timely manner.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

***Don'ts:***

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid or revise Bid Amount to a price less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another ASBA Form after you have submitted a Bid to the Designated Intermediary;
4. Do not pay the Bid Amount by cheques and demand drafts or in cash, by money order or by postal order or by stock invest;
5. Do not send ASBA Forms by post. Instead submit the same to a Designated Intermediary;
6. Do not Bid on a physical ASBA Form that does not have the stamp of a Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not submit more than one (1) Bid cum Application Form for each UPI ID in case of RIB bidding through the Designated Intermediary using the UPI Mechanism;
9. Do not submit the Bid using incorrect UPI handle or using a bank account of an SCSBs or bank which is not mentioned in the list of banks, apps and UPI handle which are live displayed on the SEBI website.
10. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds this Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or maximum amount permissible under the applicable laws or under the terms of the RHP/ Prospectus;
12. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
13. Do not make applications using third party bank accounts or using UPI ID linked with third party bank account;
14. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs bidding through the Designated Intermediaries using the UPI mechanism;
15. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIB Bidder using the UPI mechanism;
16. Do not submit the General Index Registration (“GIR”) number instead of the PAN;
17. Do not submit the Bids without instructions to block funds equivalent to the Bid Amount in the ASBA Account;
18. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to this Issue;
19. Do not submit incorrect UPI ID details, if you are a RIB bidding through UPI Mechanism;
20. Do not submit Bids on plain paper or on incomplete or illegible ASBA Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
21. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
22. Do not deliver Bid cum Application Forms after the time prescribed in the Red Herring Prospectus and the Bid cum Application Forms;
23. In case of ASBA Bidders (other than RIBs using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account;



24. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected;
25. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per demographic details provided by the Depository);
26. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidders; and
27. Do not submit Bids to a Designated Intermediary at a Bidding Centre unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in the relevant Bidding Centre, for the Designated Intermediary to deposit the Bid cum Application Forms.

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLM shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Further, helpline details of the BRLM pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 are set forth in the table below:

S. No.	Name of the BRLM	E-mail
1.	GYR Capital Advisors Private Limited	investors@gyrcapitaladvisors.com

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations or as may be prescribed by SEBI from time to time.

#### **Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any allotment in excess of the Equity Shares offered through the Issue through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the net offer to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Investors and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the Red Herring Prospectus or the Prospectus.

### **Allotment Procedure and Basis of Allotment**

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. No Retail Individual Bidder will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue.

#### **Allotment to RIBs**

Bids received from the RIBs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Portion at or above the Issue Price, full Allotment may be made to the RIBs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Portion at or above the Issue Price, then the maximum number of RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot (“**Maximum RIB Allottees**”).

The Allotment to the RIBs will then be made in the following manner:

1. In the event the number of RIBs who have submitted valid Bids in the Issue is equal to or less than Maximum RIB Allottees, (i) all such RIBs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Portion shall be Allotted on a proportionate basis to the RIBs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
2. In the event the number of RIBs who have submitted valid Bids in the Issue is more than Maximum RIB Allottees, the RIBs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

#### **Allotment to NIBs**

Bids received from NIBs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIBs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

#### **Allotment to QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2018, the Red Herring Prospectus or the Prospectus. Bids received from QIBs Bidding in the QIB Portion (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Portion may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

1. In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Portion; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs;
2. In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Portion, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under subscription below 5% of the QIB Portion, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

**Allotment to Anchor Investor (if applicable)**

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of our Company in consultation with the Book Running Lead Manager, subject to compliance with the following requirements:
  - i. not more than 60% of the QIB Portion will be allocated to Anchor Investors;
  - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - a maximum number of two Anchor Investors for allocation up to ₹ 1,000 lacs;
    - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 1,000 lacs and up to ₹25,000 lacs subject to minimum Allotment of ₹ 500 lacs per such Anchor Investor; and
    - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation more than ₹25,000 lacs, and an additional 10 Anchor Investors for every additional ₹25,000 lacs or part thereof, subject to minimum Allotment of ₹ 500 lacs per such Anchor Investor.
- (b) An Anchor Investor shall make an application of a value of at least ₹ 1,000 lacs in the Issue.
- (c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of our Company in consultation with the Book Running Lead Manager, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (d) In the event that the Issue Price is higher than the Anchor Investor Issue Price, Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (e) In the event the Issue Price is lower than the Anchor Investor Issue Price, Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

**Basis of allotment for QIBs (other than Anchor Investors), NIBs and Reserved Category in case of over-subscribed issue**

In the event of the Issue being over-subscribed, our Company, in consultation with the BRLM may finalise the Basis of Allotment with the approval of the Designated Stock Exchange in accordance with the SEBI ICDR Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid Lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

#### **Designated Date and Allotment of Equity Shares**

- (a) Designated Date: On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.
- (b) Issuance of Allotment Advice: Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of Equity Shares to the successful Bidders'/Applicants' Depository Account will be completed within six (6) Working Days of the Bid/Issue Closing Date.

Our Company shall ensure that "at par" facility is provided for encashment of refund orders for applications other than Application Supported by Blocked Amount process.

## **Impersonation**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

*“Any person who:*

- a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 10 lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50 lakhs or with both.

## **Payment into Escrow Account for Anchor Investors**

Our Company in consultation with the BRLM, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “Escrow Account-Uma Converter Limited IPO-Anchor Investor-R”
- (b) In case of Non-Resident Anchor Investors: “Escrow Account- Uma Converter Limited IPO-Anchor Investor-NR”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections of Bid amounts from Anchor Investors.

## **Depository Arrangements**

The Allotment of the Equity Shares in the Issue shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among the Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated March 05, 2019 between NSDL, our Company and the Registrar to the Issue; and
- Tripartite Agreement dated March 08, 2019 between CDSL, our Company and the Registrar to the Issue.

**The above information is given for the benefit of the Bidders/applicants. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.**

## **Undertakings by our Company**

Our Company undertakes the following:

1. adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Forms from Anchor Investors;
2. the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
3. all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six (6) Working Days of the Bid/Issue Closing Date or such other period as may be prescribed by SEBI;
4. if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;
5. 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 our Company;
6. where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
7. Promoters' contribution, if any, shall be brought in advance before the Bid/Issue Opening Date.
8. the Allotment advice / refund confirmation to Eligible NRIs shall be dispatched within specified time, subject to availability of postal services in India;
9. That, except for the Pre-IPO Placement (if any) no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.;
10. if our Company does not proceed with the Issue after the Bid/Issue Closing Date, the reason thereof shall be given by our Company as a public notice within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
11. if our Company, withdraws the issue at any stage including after closure of bidding, our Company shall be required to file a fresh draft offer document with the Board, in the event our Company subsequently decide to proceed with the Issue; and
12. our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

## **Filing**

A copy of this DRHP has been filed with the Securities Exchange Board of India, Western Regional Office situated at Unit No: 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station, Opposite Nehru Bridge, Ashram Road, Ahmedabad-380 009, Gujarat, India and simultaneously through the SEBI Intermediary Portal at <https://siportal.sebi.gov.in>, in accordance with SEBI circular dated January 19, 2018 bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2018/011. This DRHP will also be filed with BSE and NSE, where the specified securities are proposed to be listed. A copy of the Red Herring Prospectus, along with the material contracts and

documents and a copy of the Prospectus required to be filed with the RoC under Section 32 and Section 26 of the Companies Act, 2013, respectively would be delivered for filing with the RoC at its office situated at: ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat, India.

#### **Utilisation of Issue Proceeds**

Our Board of Directors certifies that:

- 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;
- details of all monies utilised out of the Issue 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; and
- details of all unutilised monies out of the Fresh Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the FDI Policy and FEMA. The government bodies responsible for granting foreign investment approvals are the concerned ministries/departments of the Government of India and the RBI, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as Department of Industrial Policy and Promotion) (“**DPIIT**”).

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 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 Consolidated FDI Policy will be valid until the DPIIT issues an updated circular and shall be subject to FEMA Rules.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

The foreign investment in our Company is governed by inter alia the FEMA, as amended, the FEMA Rules, the FDI Policy issued and amended by way of press notes. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The aggregate limit for FPI investments shall be the sectoral cap applicable to our Company. In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. The above information is given for the benefit of the Bidders. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.



## SECTION VIII - DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

*Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:*

Pursuant to the Companies Act and the SEBI ICDR Regulations the main provisions of our Articles of Association relating to, among others, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalised/ defined terms herein have the same meaning given to them in our Articles. Subject to our Articles, any words or expression defined in the Companies Act, 2013 shall, except so where the subject or context forbids; bear the same meaning in these Articles.

<b>Article No.</b>	<b>Articles</b>	<b>Particulars</b>
<b>1.</b>	<b>Table F Applicable.</b>	No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to the Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.
<b>CAPITAL</b>		
<b>3.</b>	<b>Authorised Capital.</b>	The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.
<b>4.</b>	<b>Increase of capital by the Company how carried into effect.</b>	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.
<b>5.</b>	<b>New Capital same as existing capital.</b>	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
<b>6.</b>	<b>Non-Voting Shares.</b>	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.
<b>7.</b>	<b>Redeemable Preference Shares.</b>	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted

<b>Article No.</b>	<b>Articles</b>	<b>Particulars</b>
		shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.
<b>8.</b>	<b>Voting rights of preference shares.</b>	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.
<b>9.</b>	<b>Provisions to apply on issue of Redeemable Preference Shares.</b>	<p>On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect:</p> <p>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;</p> <p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital.</p>
<b>10.</b>	<b>Reduction of capital.</b>	<p>The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce:</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account.</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>
<b>11.</b>	<b>Debentures.</b>	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.
<b>12.</b>	<b>Issue of Sweat Equity Shares.</b>	The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.
<b>13.</b>	<b>ESOP.</b>	The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject

Article No.	Articles	Particulars
		to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.
14.	<b>Buy Back of shares.</b>	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.
15.	<b>Consolidation, Sub-Division And Cancellation.</b>	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
16.	<b>Issue of Depository Receipts.</b>	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.
17.	<b>Issue of Securities.</b>	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.
<b>MODIFICATION OF CLASS RIGHTS</b>		
18. (a)	<b>Modification of rights.</b>	<p>If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.</p> <p>Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.</p>
18. (b)	<b>New Issue of Shares not to affect rights attached to existing shares of that class.</b>	The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.
19.	<b>Shares at the disposal of the Directors.</b>	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to

<b>Article No.</b>	<b>Articles</b>	<b>Particulars</b>
		the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.
<b>20.</b>	<b>Power to issue shares on preferential basis.</b>	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.
<b>21.</b>	<b>Shares should be Numbered progressively and no share to be subdivided.</b>	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
<b>22.</b>	<b>Acceptance of Shares.</b>	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.
<b>23.</b>	<b>Directors may allot shares as full paid-up</b>	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.
<b>24.</b>	<b>Deposit and call etc. to be a debt payable immediately.</b>	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.
<b>25.</b>	<b>Liability of Members.</b>	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.
<b>26.</b>	<b>Registration of Shares.</b>	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.
<b>RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT</b>		
<b>27.</b>	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Section 39 of the Act.	
<b>28.</b>	<b>Share Certificates</b>	(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the

Article No.	Articles	Particulars
		<p>company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>
29.	<p><b>Issue of new certificates in place of those defaced, lost or destroyed.</b></p>	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>

<b>Article No.</b>	<b>Articles</b>	<b>Particulars</b>
<b>30. (a)</b>	<b>The first named joint holder deemed Sole holder.</b>	If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations
<b>30. (b)</b>	<b>Maximum number of joint holders.</b>	The Company shall not be bound to register more than three persons as the joint holders of any share.
<b>31.</b>	<b>Company not bound to recognise any interest in share other than that of registered holders.</b>	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
<b>32.</b>	<b>Installment on shares to be duly paid.</b>	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.
<b>UNDERWRITING AND BROKERAGE</b>		
<b>33.</b>	<b>Commission</b>	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.
<b>34.</b>	<b>Brokerage</b>	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.
<b>CALLS</b>		
<b>35.</b>	<b>Directors may make calls</b>	(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. (2) A call may be revoked or postponed at the discretion of the Board. (3) A call may be made payable by installments.
<b>36.</b>	<b>Notice of Calls</b>	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.
<b>37.</b>	<b>Calls to date from resolution.</b>	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.

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38.	<b>Calls on uniform basis.</b>	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.
39.	<b>Directors may extend time.</b>	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.
40.	<b>Calls to carry interest.</b>	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.
41.	<b>Sums deemed to be calls.</b>	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.
42.	<b>Proof on trial of suit for money due on shares.</b>	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
43.	<b>Judgment, decree, partial payment motto proceed for forfeiture.</b>	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.
44.	<b>Payments in Anticipation of calls may carry interest</b>	(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay

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		<p>at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing; provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p>
		<p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p>
<b>LIEN</b>		
45.	<b>Company to have Lien on shares.</b>	<p>The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.</p>
46.	<b>As to enforcing lien by sale.</b>	<p>For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.</p>
47.	<b>Application of proceeds of sale.</b>	<p>The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.</p>
<b>FORFEITURE AND SURRENDER OF SHARES</b>		
48.	<b>If call or installment not paid, notice may be given.</b>	<p>If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall</p>



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		be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.
<b>49.</b>	<b>Terms of notice.</b>	The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.
<b>50.</b>	<b>On default of payment, shares to be forfeited.</b>	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.
<b>51.</b>	<b>Notice of forfeiture to a Member</b>	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.
<b>52.</b>	<b>Forfeited shares to be property of the Company and may be sold etc.</b>	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.
<b>53.</b>	<b>Members still liable to pay money owing at time of forfeiture and interest.</b>	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.
<b>54.</b>	<b>Effect of forfeiture.</b>	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.
<b>55.</b>	<b>Evidence of Forfeiture.</b>	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.
<b>56.</b>	<b>Title of purchaser and allottee of Forfeited shares.</b>	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.

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57.	<b>Cancellation of share certificate in respect of forfeited shares.</b>	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.
58.	<b>Forfeiture may be remitted.</b>	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.
59.	<b>Validity of sale</b>	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
60.	<b>Surrender of shares.</b>	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.
<b>TRANSFER AND TRANSMISSION OF SHARES</b>		
61.	<b>Execution of the instrument of shares.</b>	(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.
62.	<b>Transfer Form.</b>	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof.  The instrument of transfer shall be in a common form approved by the Exchange;
63.	<b>Transfer not to be registered except on production of instrument of transfer.</b>	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of

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		the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.
<b>64.</b>	<b>Directors may refuse to register transfer.</b>	<p>Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register-</p> <p>(a) any transfer of shares on which the company has a lien.</p> <p>That registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;</p>
<b>65.</b>	<b>Notice of refusal to be given to transferor and transferee.</b>	If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.
<b>66.</b>	<b>No fee on transfer.</b>	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.
<b>67.</b>	<b>Closure of Register of Members or debenture holder or other security holders.</b>	The Board of Directors shall have power on giving not less than seven days pervious notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.
<b>68.</b>	<b>Custody of transfer Deeds.</b>	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.
<b>69.</b>	<b>Application for transfer of partly paid shares.</b>	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
<b>70.</b>	<b>Notice to transferee.</b>	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
<b>71.</b>	<b>Recognition of legal representative.</b>	<p>(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.</p> <p>Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal</p>

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		<p>representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>
<b>72.</b>	<b>Titles of Shares of deceased Member</b>	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.
<b>73.</b>	<b>Notice of application when to be given</b>	Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.
<b>74.</b>	<b>Registration of persons entitled to share otherwise than by transfer. (transmission clause).</b>	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.
<b>75.</b>	<b>Refusal to register nominee.</b>	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.
<b>76.</b>	<b>Board may require evidence of transmission.</b>	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.
<b>77.</b>	<b>Company not liable for disregard of a notice prohibiting registration of transfer.</b>	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares

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		notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.
<b>78.</b>	<b>Form of transfer Outside India.</b>	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.
<b>79.</b>	<b>No transfer to insolvent etc.</b>	No transfer shall be made to any minor, insolvent or person of unsound mind.
<b>NOMINATION</b>		
<b>80.</b>	<b>Nomination</b>	<p>i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</p> <p>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</p> <p>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</p> <p>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</p>
<b>81.</b>	<b>Transmission of Securities nominee</b>	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <p>i) to be registered himself as holder of the security, as the case may be; or</p> <p>ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</p> <p>iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys</p>

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		payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.
<b>DEMATERIALIZATION OF SHARES</b>		
<b>82.</b>	<b>Dematerialisation of Securities</b>	Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.
<b>JOINT HOLDER</b>		
<b>83.</b>	<b>Joint Holders</b>	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.
<b>84.(a)</b>	<b>Joint and several liabilities for all payments in respect of shares.</b>	The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
<b>84.(b)</b>	<b>Title of survivors.</b>	on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;
<b>84.(c)</b>	<b>Receipts of one sufficient.</b>	Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and
<b>84.(d)</b>	<b>Delivery of certificate and giving of notices to first named holders.</b>	only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.
<b>SHARE WARRANTS</b>		
<b>85.</b>	<b>Power to issue share warrants</b>	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.
<b>86.</b>	<b>Deposit of share warrants</b>	<p>(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.</p> <p>(b) Not more than one person shall be recognized as depositor of the Share warrant.</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.</p>
<b>87.</b>	<b>Privileges and disabilities of the holders of share warrant</b>	(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.

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		(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.
<b>88.</b>	<b>Issue of new share warrant coupons</b>	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.
<b>CONVERSION OF SHARES INTO STOCK</b>		
<b>89.</b>	<b>Conversion of shares into stock or reconversion.</b>	The Company may, by ordinary resolution in General Meeting. (a) convert any fully paid-up shares into stock; and (b) re-convert any stock into fully paid-up shares of any denomination.
<b>90.</b>	<b>Transfer of stock.</b>	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
<b>91.</b>	<b>Rights of stock holders.</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, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
<b>92.</b>	<b>Regulations.</b>	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively.
<b>BORROWING POWERS</b>		
<b>93.</b>	<b>Power to borrow.</b>	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.
<b>94.</b>	<b>Issue of discount etc. or with special privileges.</b>	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.
<b>95.</b>	<b>Securing payment or repayment of Moneys borrowed.</b>	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board

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		may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.
<b>96.</b>	<b>Bonds, Debentures etc. to be under the control of the Directors.</b>	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.
<b>97.</b>	<b>Mortgage of uncalled Capital.</b>	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.
<b>98.</b>	<b>Indemnity may be given.</b>	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surely for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.
<b>MEETINGS OF MEMBERS</b>		
<b>99.</b>	<b>Distinction between AGM &amp; EGM.</b>	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.
<b>100. (a)</b>	<b>Extra-Ordinary General Meeting by Board and by requisition</b>	The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members
<b>100. (b)</b>	<b>When a Director or any two Members may call an Extra-Ordinary General Meeting</b>	If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.
<b>101.</b>	<b>Meeting not to transact business not mentioned in notice.</b>	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.
<b>102.</b>	<b>Chairman of General Meeting</b>	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the



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		Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.
<b>103.</b>	<b>Business confined to election of Chairman whilst chair is vacant.</b>	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.
<b>104.</b>	<b>Chairman with consent may adjourn meeting.</b>	<p>a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>
<b>105.</b>	<b>Chairman's casting vote.</b>	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.
<b>106.</b>	<b>In what case poll taken without adjournment.</b>	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.
<b>107.</b>	<b>Demand for poll not to prevent transaction of other business.</b>	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
<b>VOTES OF MEMBERS</b>		
<b>108.</b>	<b>Members in arrears not to vote.</b>	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.
<b>109.</b>	<b>Number of votes each member entitled.</b>	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.
<b>110.</b>	<b>Casting of votes by a member entitled to more than one vote.</b>	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

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111.	<b>Vote of member of unsound mind and of minor</b>	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
112.	<b>Postal Ballot</b>	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.
113.	<b>E-Voting</b>	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
114.	<b>Votes of joint members.</b>	<p>a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joint holders thereof.</p> <p>b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>
115.	<b>Votes may be given by proxy or by representative</b>	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles
116.	<b>Representation of a body corporate.</b>	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.
117. (a)	<b>Members paying money in advance.</b>	A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.
117. (b)	<b>Members not prohibited if share not held for any specified period.</b>	A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.
118.	<b>Votes in respect of shares of deceased or insolvent members.</b>	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.
119.	<b>No votes by proxy on show of hands.</b>	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a

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		representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.
<b>120.</b>	<b>Appointment of a Proxy.</b>	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.
<b>121.</b>	<b>Form of proxy.</b>	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
<b>122.</b>	<b>Validity of votes given by proxy notwithstanding death of a member.</b>	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.
<b>123.</b>	<b>Time for objections to votes.</b>	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.
<b>124.</b>	<b>Chairperson of the Meeting to be the judge of validity of any vote.</b>	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
<b>DIRECTORS</b>		
<b>125.</b>	<b>Number of Directors</b>	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution.
<b>126.</b>	<b>Qualification shares.</b>	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.
<b>127.</b>	<b>Nominee Directors.</b>	<p>(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement</p> <p>(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to</p>

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		<p>them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p>
<b>128.</b>	<b>Appointment of alternate Director.</b>	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.
<b>129.</b>	<b>Additional Director</b>	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.
<b>130.</b>	<b>Directors power to fill casual vacancies.</b>	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.
<b>131.</b>	<b>Sitting Fees.</b>	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.
<b>132.</b>	<b>Travelling expenses Incurred by Director on Company's business.</b>	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.
<b>PROCEEDING OF THE BOARD OF DIRECTORS</b>		
<b>133.</b>	<b>Meetings of Directors.</b>	<p>(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit.</p> <p>(b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>
<b>134.</b>	<b>Chairperson</b>	<p>(a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.</p> <p>(b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.</p>

<b>Article No.</b>	<b>Articles</b>	<b>Particulars</b>
135.	<b>Questions at Board meeting how decided.</b>	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.
136.	<b>Continuing directors may act notwithstanding any vacancy in the Board</b>	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.
137.	<b>Directors may appoint committee.</b>	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
138.	<b>Committee Meetings how to be governed.</b>	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.
139.	<b>Chairperson of Committee Meetings</b>	(a) A committee may elect a Chairperson of its meetings. (b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
140.	<b>Meetings of the Committee</b>	(a) A committee may meet and adjourn as it thinks fit. (b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
141.	<b>Acts of Board or Committee shall be valid notwithstanding defect in appointment.</b>	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.
<b>RETIREMENT AND ROTATION OF DIRECTORS</b>		
142.	<b>Power to fill casual vacancy</b>	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.
<b>POWERS OF THE BOARD</b>		
143.	<b>Powers of the Board</b>	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the

Article No.	Articles	Particulars
		Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
144.	<b>Certain powers of the Board</b>	<p>Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say:</p> <ol style="list-style-type: none"> <li data-bbox="591 506 1417 653">(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.</li> <li data-bbox="591 659 1417 835">(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.</li> <li data-bbox="591 842 1417 1079">(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.</li> <li data-bbox="591 1085 1417 1323">(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.</li> <li data-bbox="591 1329 1417 1535">(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.</li> <li data-bbox="591 1541 1417 1625">(6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.</li> <li data-bbox="591 1631 1417 1778">(7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.</li> <li data-bbox="591 1785 1417 1860">(8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.</li> </ol>

Article No.	Articles	Particulars
		<p>(9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.</p> <p>(10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.</p> <p>(11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.</p> <p>(12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.</p> <p>(13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.</p> <p>(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;</p> <p>(15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.</p> <p>(16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.</p> <p>(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.</p> <p>(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may</p>

Article No.	Articles	Particulars
		<p>think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the deprecation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.</p> <p>(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.</p> <p>(20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.</p> <p>(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.</p> <p>(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.</p> <p>(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.</p>



Article No.	Articles	Particulars
		(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.
		(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.
		(26) To redeem preference shares.
		(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.
		(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
		(29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.
		(30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.
		(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.
		(32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.
		(33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.
		(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the

Article No.	Articles	Particulars
		Company for the time being held under lease or for an estate less than freehold estate.
		(35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.
		(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.
		(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.
		(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.
<b>MANAGING AND WHOLE-TIME DIRECTORS</b>		
145.	<b>Powers to appoint Managing/ Whole - time Directors.</b>	<p>(a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>(b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p>
146.	<b>Remuneration of Managing Whole-time Director.</b>	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.
147.	<b>Powers and duties of Managing Director or Whole-time Director.</b>	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p>

<b>Article No.</b>	<b>Articles</b>	<b>Particulars</b>
		<p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>
<b>CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER</b>		
<b>148.</b>	<b>Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer</b>	<p>(a) Subject to the provisions of the Act,—</p> <p>i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may 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;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>(b) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p>
<b>THE SEAL</b>		
<b>149.</b>	<b>The seal, its custody and use.</b>	<p>(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>
<b>150.</b>	<b>Deeds executed. how</b>	The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.
<b>DIVIDEND AND RESERVES</b>		
<b>151.</b>	<b>Division of profits.</b>	(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the

<b>Article No.</b>	<b>Articles</b>	<b>Particulars</b>
		<p>shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>
<b>152.</b>	<b>The company in General Meeting may declare Dividends.</b>	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.
<b>153.</b>	<b>Transfer to reserves</b>	<p>(a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.</p> <p>(b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>
<b>154.</b>	<b>Interim Dividend.</b>	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.
<b>155.</b>	<b>Debts may be deducted.</b>	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
<b>156.</b>	<b>Capital paid up in advance not to earn dividend.</b>	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.
<b>157.</b>	<b>Dividends in proportion to amount paid-up</b>	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.
<b>158.</b>	<b>Retention of dividends until completion of transfer under Articles.</b>	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.
<b>159.</b>	<b>No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.</b>	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.

<b>Article No.</b>	<b>Articles</b>	<b>Particulars</b>
<b>160.</b>	<b>Effect of transfer of shares.</b>	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.
<b>161.</b>	<b>Dividend to joint holders.</b>	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.
<b>162.</b>	<b>Dividends remitted.</b>	<b>how</b> (a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. (b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
<b>163.</b>	<b>Notice of dividend.</b>	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.
<b>164.</b>	<b>No interest on Dividends.</b>	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.
<b>CAPITALIZATION</b>		
<b>165.</b>	<b>Capitalization.</b>	(1) The Company in General Meeting may, upon the recommendation of the Board, resolve: (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards: (i) paying up any amounts for the time being unpaid on any shares held by such members respectively; (ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii). (3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares. (4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
<b>166.</b>	<b>Fractional Certificates.</b>	(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall — (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and (b) generally to do all acts and things required to give effect thereto. (2) The Board shall have full power - (a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also

<b>Article No.</b>	<b>Articles</b>	<b>Particulars</b>
		<p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p>
<b>167.</b>	<b>Inspection of Minutes Books of General Meetings.</b>	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p>
<b>168.</b>	<b>Inspection of Accounts</b>	<p>(a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>(b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>
<b>FOREIGN REGISTER</b>		
<b>169.</b>	<b>Foreign Register.</b>	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.
<b>DOCUMENTS AND SERVICE OF NOTICES</b>		
<b>170.</b>	<b>Signing of documents &amp; notices to be served or given.</b>	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.
<b>171.</b>	<b>Authentication of documents and proceedings.</b>	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.
<b>WINDING UP</b>		
<b>172.</b>	Subject to the provisions of Chapter XX of the Act and rules made thereunder—	
	(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.	

<b>Article No.</b>	<b>Articles</b>	<b>Particulars</b>
		(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
		(iii) (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **INDEMNITY**

<b>173.</b>	<b>Directors' and others right to indemnity.</b>	Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.
<b>174.</b>	Not responsible for acts of others	Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

#### **SECURITY**

<b>175 (a)</b>	<b>Secrecy</b>	Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
<b>175 (b)</b>	<b>Access to property information etc.</b>	No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's

Article No.	Articles	Particulars
		trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.



## SECTION IX - OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of these contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

#### 1. Material Contracts for the Issue

- (i) Issue Agreement dated June 29, 2021 entered into between our Company and the BRLM.
- (ii) Registrar Agreement dated June 15, 2021 entered into amongst our Company and the Registrar to the Issue.
- (iii) Advertising agency Agreement dated [●] entered into between [●] and our Company.
- (iv) Tripartite Agreement dated March 05, 2019 between our Company, NSDL and the Registrar to the Issue.
- (v) Tripartite Agreement dated March 08, 2019 between our Company, CDSL and the Registrar to the Issue.
- (vi) Escrow and Sponsor Bank Agreement dated [●] amongst our Company the BRLM, Syndicate Member, Escrow Collection Banks, Sponsor Bank and the Registrar to the Issue.
- (vii) Syndicate Agreement dated [●] entered into amongst our Company, the BRLM and the Syndicate Members.
- (viii) Underwriting Agreement dated [●] amongst our Company and the Underwriters.

#### 2. Material Documents

- (i) Certified copy of the updated Memorandum of Association and Articles of Association of our Company.
- (ii) Certificate of incorporation dated June 18, 1999.
- (iii) Fresh certificate of incorporation dated September 27, 2018 consequent upon conversion from private company to public company.
- (iv) Resolution of the Board of Directors dated April 20, 2021 in relation to the Issue.
- (v) Shareholders' resolution dated May 20, 2021 in relation to the Issue.
- (vi) Resolutions of the IPO Committee and the Board of Directors of the Company dated June 30, 2021, taking on record and approving this Draft Red Herring Prospectus.
- (vii) The examination reports dated June 25, 2021 of the Statutory Auditor, on our Company's Restated Financial Statements, included in this Draft Red Herring Prospectus.
- (viii) Copies of the annual reports of our Company for the Fiscals 2019, 2020 and 2021.
- (ix) Statement of Tax Benefits dated June 27, 2021 from the Statutory Auditor included in this Draft Red Herring Prospectus.

- (x) Consent of the Promoters, Directors, the BRLM, Legal Counsel, Registrar to the Issue, Bankers to our Company, Company Secretary and Compliance Officer and Chief Financial Officer as referred to in their specific capacities.
- (xi) Consent letter dated June 27, 2021 of the Statutory Auditor to include their names as experts in relation to their report dated June 25, 2021 on the Restated Financial Information and the Statement of Tax Benefits dated June 27, 2021 included in this Draft Red Herring Prospectus.
- (xii) Consent from Care Advisory Research and Training Limited dated June 29, 2021 issued for inclusion of their name and to reproduce the industry report titled “*Report on Indian Flexible Packaging Industry*” released in the month of June 2021 and for the Appraisal Report released in June 2021 in this Draft Red Herring Prospectus.
- (xiii) Consent letter dated June 28, 2021 issued by M/s. B Kumar Tank & Associates, Company Secretary in Practice in relation to the search report dated June 28, 2021.
- (xiv) Techno-Economic Viability Report released in the month of June 2021 by Care Advisory Research and Training Limited for the Object of the Issue.
- (xv) Due Diligence Certificate dated June 30, 2021 addressed to SEBI from the BRLM.
- (xvi) In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.
- (xvii) SEBI observation letter number [●] dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act, 2013 and other relevant statutes.

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

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**Sumer Raj Lodha**  
(Chairman and Managing Director)

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**Nirmala Lodha**  
(Executive Director)

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**Abhishek Sumerraj Lodha**  
(Whole-time Director)

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**Ashok Ruplal Kavdia**  
(Independent Director)

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**Mohit Rajendra Mehta**  
(Independent Director)

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**Pradeep Randhirmal Lodha**  
(Additional (Independent) Director)

### SIGNED BY OUR CHIEF FINANCIAL OFFICER

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**Ashish Bhandari**

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Place: Ahmedabad, Gujarat

Date: June 30, 2021