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RED HERRING PROSPECTUS

November 21, 2022

Please read Section 32 of the Companies Act, 2013

Book Built Offer



DHARMAJ CROP GUARD LIMITED

CORPORATE IDENTITY NUMBER: U24100GJ2015PLC081941

REGISITERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Plot No. 408 to 411, Kerala GIDC Estate, Off NH-8, At: Kerala, Taluka Bavla, Ahmedabad – 382 220, Gujarat, India	Office No. 901 to 903 and 911, B-square 2, Iscon Ambli Road, Ahmedabad – 380 058, Gujarat, India	Malvika Bhadreshbhai Kapasi, Company Secretary and Compliance Officer	Email: cs@dharmajcrop.com Telephone: +91-79-29603735	www.dharmajcrop.com

OUR PROMOTERS: RAMESHBHAI RAVAJIBHAI TALAVIA, JAMANKUMAR HANSARAJBHAI TALAVIA, JAGDISHBHAI RAVJIBHAI SAVALIYA AND VISHAL DOMADIA

DETAILS OF OFFER

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE	TOTAL OFFER SIZE	ELIGIBILITY
Fresh Issue and Offer for Sale	Up to ₹ 2,160.00 million	Up to 1,483,000 Equity Shares	Initial public offer of up to [●] Equity Shares of face value of ₹ 10 each (“Equity Shares”) aggregating up to ₹ [●] million (“Offer”)	Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations. For details in relation to share reservation among QIBs, NIBs and RIBs, see “Offer Structure” on page 334.

OFFER FOR SALE

NAME OF SELLING SHAREHOLDERS	TYPE	NUMBER OF SHARES OFFERED	AVERAGE COST OF ACQUISITION (IN ₹)*
Manjulaben Rameshbhai Talavia	Promoter group selling shareholder	709,500	7.52
Muktaben Jamankumar Talavia	Promoter group selling shareholder	656,000	7.19
Domadia Artiben	Promoter group selling shareholder	87,500	1.98
Ilaben Jagdishbhai Savaliya	Promoter group selling shareholder	30,000	1.98

\* As per certificate issued by our Statutory Auditors dated November 21, 2022

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares, there has been no formal market for the Equity Shares. The face value of Equity Shares is ₹ 10 each. The Floor Price, Cap Price and Offer Price (determined by our Company and the Selling shareholders, in consultation with the BRLMs and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in “Basis for Offer Price” on page 118, 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 active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 31.

ISSUER’S AND SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY

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

The Selling Shareholders accept responsibility for and confirm the statements made by them in this offer document to the extent of information specifically pertaining to them and their respective portion of the offered shares and assume responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares issued through this Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE Limited and National Stock Exchange of India Limited. Our Company has received ‘in-principle’ approval from BSE and NSE for listing of the Equity Shares pursuant to letters dated March 4, 2022 and March 7, 2022, respectively. For the purposes of the Issue, NSE is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE OFFER

Elara Capital (India) Private Limited E-mail: dharmaj.ipo@elaracapital.com Telephone: +91 22 6164 8599 Contact Person: Astha Daga	Monarch Network Capital Limited E-mail: ipo.dharmaj@mnclgroup.com Telephone: +91 22 6883 6402 Contact Person: Saahil Kinkhabwala/ Nikhil Parikh	Link Intime India Private Limited E-mail: dharmaj.crop@linkintime.co.in Telephone: +91 22 4918 6200 Contact Person: Shanti Gopalkrishnan

BID/ OFFER PROGRAMME

ANCHOR INVESTOR BID/ OFFER PERIOD	November 25, 2022*
BID/ OFFER OPENS ON	November 28, 2022*
BID/ OFFER CLOSES ON	November 30, 2022**

\*Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations.

The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

\*\* UPI mandate end time and date shall be at 5.00 pm on the Bid/ Offer Closing Date.



**DHARMAJ CROP GUARD LIMITED**

Dharmaj Crop Guard Limited (“Company” or “Issuer”) was incorporated on January 19, 2015, at Ahmedabad as a public limited company under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Company, Gujarat at Ahmedabad (“RoC”). For further details on the change in name and the registered office of our Company, see “History and Certain Corporate Matter” on page 185

**Corporate Identity Number:** U24100GJ2015PLC081941

**Registered Office:** Plot No. 408 to 411, Kerala GIDC Estate, Off NH-8, At: Kerala, Taluka Bavla, Ahmedabad – 382 220, Gujarat, India; **Tel:** +91-2714-268000

**Corporate Office:** Office No. 901 to 903 and 911, B-square 2, Iscon Ambli Road, Ahmedabad – 380 058, Gujarat, India; **Tel:** +91-79-29603735

**Contact Person:** Malvika Bhadreshbhai Kapasi, Company Secretary and Compliance Officer, **E-mail:** cs@dharmajcrop.com; **Website:** www.dharmajcrop.com

**OUR PROMOTERS: RAMESHBHAI RAJAJIBHAI TALAVIA, JAMANKUMAR HANSARAJBHAI TALAVIA, JAGDISHBHAI RAJAJIBHAI SAVALIYA AND VISHAL DOMADIA**

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH (“EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE, INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE, (THE “OFFER PRICE”) AGGREGATING UP TO ₹[●] MILLION, COMPRISING OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 2,160.00 MILLION BY OUR COMPANY (“FRESH ISSUE”) AND AN OFFER FOR SALE OF UP TO 709,500 EQUITY SHARES BY MANJULABEN RAMESHBHAI TALAVIA, 656,000 EQUITY SHARES BY MUKTABEN JAMANKUMAR TALAVIA, UP TO 87,500 EQUITY SHARES BY DOMADIA ARTIBEN AND UP TO 30,000 EQUITY SHARES BY ILABEN JAGDISHBHAI SAVALIYA (COLLECTIVELY, THE “SELLING SHAREHOLDERS”), AGGREGATING UP TO 1,483,000 EQUITY SHARES (“OFFERED SHARES”) AGGREGATING UP TO ₹[●] MILLION (THE “OFFER FOR SALE” AND TOGETHER WITH THE FRESH ISSUE, THE “OFFER”).

THE OFFER INCLUDES A RESERVATION OF UP TO 55,000\* EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION\* FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (WHICH SHALL NOT EXCEED 5% OF THE POST-OFFER EQUITY SHARE CAPITAL OF OUR COMPANY) (THE “EMPLOYEE RESERVATION PORTION”). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HERINAFTER REFERRED TO AS THE “NET OFFER”. THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

\*Our Company and the Selling Shareholders in consultation with the BRLMs, may offer a discount of up to 5% of the Offer Price to Eligible Employees bidding in the Employee Reservation Portion.

THE PRICE BAND AND MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLMs (INCLUDING THE RUPEE AMOUNT OF DISCOUNT, IF ANY, TO THE ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION (“EMPLOYEE DISCOUNT”), IF ANY) WILL BE ADVERTISED IN ALL EDITIONS OF FINANCIAL EXPRESS (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF JANSATTA (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND THE GUJARAT EDITION OF FINANCIAL EXPRESS (A WIDELY CIRCULATED GUJARATI NEWSPAPER, GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT, WHERE OUR REGISTERED OFFICE IS SITUATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER 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”, AND TOGETHER WITH BSE, THE “STOCK EXCHANGES”) FOR THE PURPOSES OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

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

This Offer is being made 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. This Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein, not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (the “QIB Portion”), provided that our Company in consultation with the BRLMs and Selling Shareholders, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis (“Anchor Investor Portion”), out of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB 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 Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders (“Non-Institutional Portion”) (of which one third of the Non-Institutional Portion shall be reserved for Bidders with an application size between ₹ 0.20 million up to ₹ 1 million and two-thirds of the Non-Institutional Portion shall be reserved for Bidders with an application size exceeding ₹ 1 million) and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other subcategory of Non-Institutional Portion, subject to valid Bids being received at or above the Offer Price and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Investors (“RIIs”) in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders, other than Anchor Investors, are mandatorily required to participate in the Offer through the Application Supported by Blocked Amount (“ASBA”) process by providing details of their respective ASBA Accounts (as defined hereinafter) including UPI ID in case of UPI Bidders in which the Bid Amount will be blocked by the Self Certified Syndicate Banks (“SCSBs”) or the Sponsor Bank, as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see “Offer Procedure” on page 339.

**RISKS IN RELATION TO THE FIRST OFFER**

This being the first public issue of Equity Shares by 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 Offer Price, Floor Price and Price Band should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISK**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” beginning on page 31.

**ISSUER’S AND SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this 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 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. The Selling Shareholders accept responsibility for and confirm the statements made by them in this offer document to the extent of information specifically pertaining to them and their respective portion of the offered shares and assume responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

**LISTING**

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received ‘in-principle’ approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated March 4, 2022 and March 7, 2022, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be NSE. A copy of this Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus until the Bid/Offer Closing Date, see “Material Contracts and Documents for Inspection” beginning on page 392.

**BOOK RUNNING LEAD MANAGERS**

**REGISTRAR TO THE OFFER**



**Elara Capital (India) Private Limited**  
One International Centre, Tower 3, 21st Floor  
Senapati Bapat Marg, Elphinstone Road West  
Mumbai – 400 013  
**Telephone:** +91 22 6164 8599  
**E-mail:** dharmaj.ipo@elaracapital.com  
**Website:** www.elaracapital.com  
**Investor grievance e-mail:** mb.investorgrievances@elaracapital.com  
**Contact person:** Astha Daga  
**SEBI Registration Number:** INM000011104

**Monarch Network Capital Limited**  
602-A, The Capital G Block,  
Bandra Kurla Complex, Bandra (E),  
Mumbai – 400051  
**Telephone:** +91 22 68836402  
**E-mail:** ipo.dharmaj@mncigroup.com  
**Website:** www.mncigroup.com  
**Investor grievance e-mail:** mbd@mncigroup.com  
**Contact person:** Saahil Kinkhabwala/ Nikhil Parikh  
**SEBI Registration Number:** MB/INM000011013

**Link Intime India Private Limited**  
C-101, 247 Park, LBS Marg,  
Vikhroli West, Mumbai – 400 083  
Maharashtra, India.  
**Telephone:** +91 22 4918 6200  
**E-mail:** dharmaj.crop@linkintime.co.in  
**Website:** www.linkintime.co.in  
**Investor Grievance e-mail:** dharmaj.crop@linkintime.co.in  
**Contact Person:** Shanti Gopalkrishnan  
**SEBI Registration Number:** INR000004058

**BID/ OFFER PROGRAMME**

**BID/ OFFER OPENS ON**

November 28, 2022\*

**BID/ OFFER CLOSES ON^**

November 30, 2022

\*Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

^UPI mandate end time and date shall be 5 p.m. on Bid/Offer Closing Date.

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Further, Offer related terms used but not defined in this Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document.*

*Notwithstanding the foregoing, the terms used in “Basis for Offer Price”, “Statement of Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies”, “Financial Information”, “Outstanding Litigation and Material Developments” and “Description of Equity Shares and Terms of the Articles of Association” beginning on pages 118, 123, 127, 178, 218, 308 and 360, respectively, shall have the meaning ascribed to them in the relevant section.*

#### General Terms

<b>Term</b>	<b>Description</b>
“Dharmaj Crop Guard Limited”, “Dharmaj”, “our Company”, “the Company”, the “Issuer”, “we”, “us” or “our”	Dharmaj Crop Guard Limited, a public limited Company incorporated under the Companies Act, 2013 and having its Registered Office at Plot No. 408 to 411, Kerala GIDC Estate, Off NH-8, At: Kerala, Taluka Bavla, Ahmedabad – 382 220, Gujarat, India.

#### Company Related Terms

<b>Term</b>	<b>Description</b>
AoA/ Articles of Association or Articles	The articles of association of our Company, as amended
Audit Committee	The audit committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in “ <i>Our Management</i> ” on page 189
Auditors/ Statutory Auditors	The statutory auditors of our Company, currently being K A R M A & Co. LLP, Chartered Accountants
Board/ Board of Directors	Board of directors of our Company, as described in “ <i>Our Management</i> ”, on page 189
Chairman and Managing Director	The Chairman and Managing Director of our Company, Rameshbhai Ravajibhai Talavia. For details, see “ <i>Our Management</i> ” on page 189
Chief Financial Officer/ CFO	Chief financial officer of our Company, Vishal Domadia. For details, see “ <i>Our Management</i> ” on page 189
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, Malvika Bhadreshbhai Kapasi. For details, see “ <i>Our Management</i> ” on page 189
Corporate Office	The corporate office our Company situated at, Office No. 901 to 903 & 911, B-square 2, Iscon Ambli Road, Ahmedabad -380 058, Gujarat, India
CSR Committee/ Corporate Social Responsibility	Corporate social responsibility committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013, and as described in “ <i>Our Management</i> ” on page 189



<b>Term</b>	<b>Description</b>
Committee	
Director(s)	Directors on the Board as described in “ <i>Our Management</i> ”, on page 189
Equity Shares	The equity shares of our Company of face value of ₹ 10 each
Equity Shareholders/ Shareholders	The holders of Equity Shares of our Company from time to time
Executive Director(s)	Executive director(s) on our Board, as described in “ <i>Our Management</i> ”, on page 189
Group Company	Our group company, as disclosed in section “ <i>Our Group Company</i> ” on page 214
Independent Directors	Independent directors on our Board, and who are eligible to be appointed as independent directors under the provisions of the Companies Act and the SEBI Listing Regulations. For details of the Independent Directors, see “ <i>Our Management</i> ” on page 189
IPO Committee	The IPO committee of our Company, described in “ <i>Our Management</i> ” on page 189
KMP/ Key Managerial Personnel	Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and as disclosed in “ <i>Our Management</i> ” on page 189
Materiality Policy	The policy adopted by our Board of Directors on November 18, 2021, for identification of material: (a) outstanding litigation proceedings; (b) Group Companies; and (c) creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in the Draft Red Herring Prospectus, this Red Herring Prospectus and Prospectus
MoA/ Memorandum of Association	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	Nomination and remuneration committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in “ <i>Our Management</i> ” on page 189
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed in “ <i>Our Promoters and Promoter Group</i> ” on page 209
Promoters	The promoters of our Company, being Rameshbhai Ravajibhai Talavia, Jamankumar Hansarajbhai Talavia, Jagdishbhai Ravajibhai Savaliya and Vishal Domadia. For details, see “ <i>Our Promoters and Promoter Group</i> ” on page 209
Registered Office	The registered office of our Company, situated at Plot No. 408 to 411, Kerala GIDC Estate, Off NH-8, At: Kerala, Taluka Bavla, Ahmedabad – 382 220, Gujarat, India
Restated Financial Statements	The restated financial information of our Company comprises of the restated statement of assets and liabilities as on July 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, the restated statement of profit and loss, the restated statement of cash flows and the restated statement of changes in equity for the period ended July 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 and the summary of significant accounting policies and explanatory notes and notes to restated financial information prepared in terms of the Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India, each as amended.
Risk Management Committee	The risk management committee of our Company, described in “ <i>Our Management</i> ” on 189
RoC/Registrar of Companies	The Registrar of Companies, Gujarat at Ahmedabad
Selling Shareholders	Manjulaben Rameshbhai Talavia, Muktaben Jamankumar Talavia, Domadia Artiben and Ilaben Jagdishbhai Savaliya.
Shareholder(s)	Shareholders of our Company, from time to time
Stakeholders Relationship Committee	Stakeholders’ relationship committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in “ <i>Our Management</i> ” on page 189

## Offer Related Terms

<b>Term</b>	<b>Description</b>
Acknowledgement Slip	The slip or document issued by a Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf
Allot/ Allotted	Allotment/ Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and this Red Herring Prospectus and who has bid for an amount of at least ₹ 100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of this Red Herring Prospectus and Prospectus, which will be decided by our Company, in consultation with the BRLMs and the Selling Shareholders during the Anchor Investor Bidding Date.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of this Red Herring Prospectus and Prospectus
Anchor Investor Bidding Date	The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which will be a price equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the BRLMs and the Selling Shareholders, 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 Pay-In Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/Offer Closing Date
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI Mechanism
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a UPI Bidder linked to a UPI ID, which will be blocked in relation to a Bid by a UPI Bidder Bidding through the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modification made thereto as permitted under the SEBI ICDR Regulations

<b>Term</b>	<b>Description</b>
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank and Public Offer Account Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in “Offer Procedure” beginning on page 339
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of this Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly
Bid Amount	<p>The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Offer, as applicable</p> <p>The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000. Only in the event of an under-subscription in the Employee Reservation Portion post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000. The Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-off Price and the Bid amount shall be Cap Price net of Employee Discount, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form.</p> <p>In the case of RIIs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIIs and mentioned in the Bid cum Application Form</p>
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Offer Closing Date	<p>Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be published in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and regional edition of Financial Express, a Gujarati newspaper, Gujarati being the regional language of Gujarat, where our Registered Office is located, each with wide circulation.</p> <p>Our Company in consultation with the Book Running Lead Managers may, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/Offer Closing Date shall also be notified on the websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations</p>
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being November 28, 2022,

<b>Term</b>	<b>Description</b>
	which shall be published in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and regional edition of Financial Express, a Gujarati newspaper, Gujarati being the regional language of Gujarat, where our Registered Office is located, each with wide circulation.
Bid/ Offer Period	Except in relation to Bid by Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and in terms of this Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.  In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor and Eligible Employee
Bidding Centers	Centers at which the Designated Intermediaries shall accept the ASBA Forms to a Registered Broker, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers/ BRLMs	The book running lead managers to the Offer, namely, Elara Capital (India) Private Limited and Monarch Network Capital Limited
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker and details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the websites of the respective Stock Exchanges, www.bseindia.com and www.nseindia.com, as updated from time to time.
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on/after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, including any revisions thereof. The Cap Price shall be atleast 105% of the Floor Price.
Cash Escrow and Sponsor Bank Agreement	The agreement to be entered into amongst our Company, the Selling Shareholder, the Registrar to the Offer, the BRLMs and Banker(s) to the Offer for <i>inter alia</i> the appointment of the Sponsor Bank in accordance with the SEBI UPI Circular, for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account(s) and where applicable remitting refunds, if any, to Bidders, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to the Bidder's beneficiary account.
Collecting Depository Participant/ CDP	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 the circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI UPI Circulars, issued by SEBI and as per the list available on the websites of BSE and NSE, as updated from time to time.
Cut-off Price	Offer Price, finalised by our Company, in consultation with the BRLMs and the Selling Shareholders, which shall be any price within the Price Band.  Only Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor



<b>Term</b>	<b>Description</b>
	Investors) and Non-Institutional Investors 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 and bank account details and UPI ID, where applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time
Designated Locations	CDP Such locations of the CDPs where Bidders (other than Anchor Investors) 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 funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, and the instructions are issued to the SCSBs (in case of UPI Bidders using UPI Mechanism, instruction issued through the Sponsor Bank(s)) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account(s), as appropriate, in terms of this Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Offer
Designated Intermediaries	In relation to ASBA Forms submitted by RIIs (not using the UPI Mechanism) authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.  In relation to ASBA Forms submitted by UPI Bidders (Bidding using the UPI Mechanism) where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate, Registered Brokers, CDPs, SCSBs and RTAs.  In relation to ASBA Forms submitted by QIBs and NIIs, Designated Intermediaries shall mean SCSBs, Syndicate, sub-syndicate, Registered Brokers, CDPs and RTAs
Designated Locations	RTA Such locations of the RTAs where Bidders 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> ) and updated from time to time
Designated Exchange	Stock NSE
Draft Red Herring Prospectus/ DRHP	The draft red herring prospectus dated January 27, 2022 issued in accordance with the SEBI ICDR Regulations, which did not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer.
Elara Capital	Elara Capital (India) Private Limited
Eligible Employee(s)	All or any of the following: <ul style="list-style-type: none"> <li>i. a permanent and full-time employee of our Company (excluding such employees who are not eligible to invest in the Offer under applicable laws), as on the date of filing of this Red Herring Prospectus with the RoC and who continues to be a permanent and full-time employee of our Company until the submission of the ASBA Form and is based, working and present in India or abroad as on the date of submission of the ASBA Form and Allotment, including an employee of our Company, who is employed against a regular vacancy but, is on probation as on the date of the submission of ASBA Form, will also be deemed to be a</li> </ul>

<b>Term</b>	<b>Description</b>
	‘permanent and full time’ employee of our Company; or
	ii. a Director of our Company, whether a whole-time Director or part time Director, (excluding our Promoter and individual members of the Promoter Group and other Directors not eligible to invest in the Issue under applicable laws, rules, regulations and guidelines) as of the date of filing of this Red Herring Prospectus with the RoC and who continues to be a Director until submission of the ASBA Form and is based, working and present in India or abroad as on the date of submission of the ASBA Form and Allotment
Eligible FPI(s)	FPIs that are eligible to participate in this Offer in terms of applicable laws
Eligible NRI(s)	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom this Red Herring Prospectus and the Bid Cum Application Form constitutes an invitation to subscribe or purchase for the Equity Shares
Employee Discount	Discount of 5% (equivalent to ₹[●]) to the Offer Price to Eligible Employees Bidding in the Employee Reservation Portion, as may be decided by our Company and the Selling Shareholders in consultation with the BRLMs and announced at least two Working Days prior to the Bid/Offer Opening Date
Employee Reservation Portion	The portion of the Offer, being up to 55,000 Equity Shares, aggregating up to ₹[●] million, which shall not exceed 5% of the post-Offer equity share capital of our Company, available for allocation to Eligible Employees, on a proportionate basis.  Further, a discount of up to 5% to the Offer Price (equivalent of ₹ [●] per Equity Share) may be offered to Eligible Employees, bidding in the Employee Reservation Portion in accordance with the SEBI ICDR Regulations and details of which will be announced at least two Working Days prior to the Bid/Offer Opening Date.
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being Axis Bank Limited
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	Fresh issue of up to [●] Equity Shares by our Company, at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ 2,160.00 million by our Company
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, suitably modified and updated pursuant to, among others, the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 issued by SEBI and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the Book Running Lead Managers
Gross Proceeds	The Offer Proceeds less the amount to be raised pursuant to the Offer for Sale by the Selling Shareholders
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and Stock Exchanges.
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to

<b>Term</b>	<b>Description</b>
	RIBs by the minimum Bid Lot, subject to valid Bids being received at or above the Offer Price
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> or such other website as may be updated from time to time, which may be used by UPI Bidders to submit Bids using the UPI Mechanism
Monarch Network	Monarch Network Capital Limited
Monitoring Agency	CARE Ratings Limited
Monitoring Agency Agreement	Agreement to be entered between our Company and the Monitoring Agency
Mutual Fund Portion	5% of the Net QIB 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 Offer Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Offer	Offer less the Employee Reservation Portion
Net Proceeds	The proceeds from the Fresh Issue less the Offer related expenses applicable to the Fresh Issue. For further information about use of the Offer Proceeds and the Offer expenses, see “ <i>Objects of the Offer</i> ” on 98
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Investors/ NII’s	All Bidders that are not QIBs or Retail Individual Investors or Eligible Employee Bidding in Employee Reservation Portion, who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Net Offer being not less than 15% of the Net Offer, consisting of [●] Equity Shares, which shall be available for allocation to Non-Institutional Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price, out of which i) one third of the portion available to Non-Institutional Investors shall be reserved for Non-Institutional Investors with Bids exceeding ₹ 0.20 million and up to ₹ 1.00 million; and ii) two-thirds of the portion available to Non-Institutional Investors shall be reserved for Non-Institutional Investors with Bids exceeding ₹ 1.00 million provided that under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Offer	The initial public offer of [●] Equity Shares of face value of ₹10 each for a cash price of ₹ [●] each (including a share premium of ₹ [●] each), comprising of the Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 2,160.00 million and the Offer for Sale up to 1,483,000 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders. The Offer, aggregating up to ₹[●] million, comprises a Net Offer to the public of up to [●] Equity Shares and an Employee Reservation Portion of up to 55,000 Equity Shares for subscription by Eligible Employees.
Offer Agreement	The agreement dated January 18, 2022 amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale component of the Offer, comprising of an offer for sale of up to 1,483,000 Equity Shares at ₹ [●] per Equity Share aggregating up to ₹ [●] million by the Selling Shareholders.
Offer Price	₹ [●] per Equity Share, being the final price within the Price Band, at which Equity Shares will be Allotted to successful Bidders, other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms

<b>Term</b>	<b>Description</b>
	of this Red Herring Prospectus.
	The Offer Price will be decided by our Company, in consultation with the BRLMs and the Selling Shareholders on the Pricing Date, in accordance with the Book Building Process and in terms of this Red Herring Prospectus.
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to our Selling Shareholders. For further information about the use of the Offer Proceeds, see “ <i>Objects of the Offer</i> ” beginning on page 98
Offered Shares	The Equity Shares being offered by the Selling Shareholders in the Offer for Sale comprising of an aggregate of up to 1,483,000 Equity Shares aggregating up to ₹ [●] million
Price Band	The 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 the minimum Bid Lot size for the Offer will be decided by our Company in consultation with the Book Running Lead Managers, and will be advertised, at least two Working Days prior to the Bid/Offer Opening Date, in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and regional edition of Financial Express, a Gujarati newspaper, Gujarati being the regional language of Gujarat, where our Registered Office is located, each with wide circulation 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 the BRLMs and the Selling Shareholders, will finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account(s)	Bank account(s) to be opened with the Public Offer Account Bank(s) under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date
Public Offer Bank	The bank(s) which is a clearing member and registered with SEBI as a banker to an issue with which the Public Offer Account(s) is opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being HDFC Bank Limited
QIB Category/ QIB Portion	The portion of the Net Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer, consisting of [●] Equity Shares aggregating to ₹ [●] million which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs and the Selling Shareholders), subject to valid Bids being received at or above the Offer Price
Qualified Buyers/ Institutional Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus/ RHP	This red herring prospectus dated November 21, 2022, 2022 issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which does not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto.  The Bid/Offer Opening Date shall be at least three Working Days after the registration of Red Herring Prospectus with the RoC. This Red Herring Prospectus will become the Prospectus upon filing with the RoC after the Pricing Date, including any addenda



<b>Term</b>	<b>Description</b>
	or corrigenda thereto
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being Axis Bank Limited.
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and BRLMs and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI
Registrar Agreement	The agreement dated January 18, 2022 among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar to the Offer/ Registrar	Link Intime India Private Limited
Registrar and Share Transfer Agents/ RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of, among others, circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Retail Individual Investors(s)/ Retail Individual Bidder(s)/ RII(s)/ RIB(s)	Bidders other than Eligible Employees Bidding in the Employee Reservation Portion whose Bid Amount for Equity Shares in the Offer is not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares aggregating to ₹ [●] million, which shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	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) as applicable, QIB Bidders and Non-Institutional Investors 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 Investors and Eligible Employees Bidding in the Employees Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
SCORES	Securities and Exchange Board of India Complaints Redress System
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as may be prescribed by SEBI and updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> . Details of nodal officers of SCSBs, identified for Bids made through the UPI Mechanism, are available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> .
Share Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely, Link Intime India Private Limited
Share Escrow Agreement	Agreement to be entered into amongst the Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of Offered Shares and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which will be included in the Bid cum Application Form
Specified Securities	Equity Shares and/or convertible securities of our Company, including but not limited

<b>Term</b>	<b>Description</b>
	to convertible debentures and/or convertible preference shares
Sponsor Bank	The Banker to the Offer registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Request and/or payment instructions of the UPI Bidders using the UPI and carry out other responsibilities, in terms of the UPI Circulars, in this case being Axis Bank Limited and HDFC Bank Limited
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited
Syndicate Agreement	Agreement dated November 21, 2022 entered into among our Company, the Selling Shareholders, the BRLMs and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries (other than the BRLMs) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter, namely, Elara Securities (India) Private Limited and Monarch Network Capital Limited
Syndicate/members of the Syndicate	Together, the BRLMs and the Syndicate Members
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	[●]
Underwriting Agreement	The agreement among the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date, but prior to filing of the Prospectus
UPI	Unified Payments Interface which is an instant payment mechanism, developed by NPCI
UPI Bidder	Collectively, individual investors applying as RIIs in the Retail Portion, and individuals applying as Non-Institutional Investors with a Bid Amount of up to ₹ 500,000 in the Non-Institutional Portion by using the UPI Mechanism. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, 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/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidder, by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS directing the UPI Bidder to such UPI linked mobile application) to the UPI Bidders using the UPI Mechanism initiated by the Sponsor Bank to authorize blocking of funds

<b>Term</b>	<b>Description</b>
	equivalent to the Bid Amount in the relevant ASBA Account through the UPI linked mobile application, and the subsequent debit of funds in case of Allotment
	In accordance with the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> ) respectively, as updated from time to time
UPI Mechanism	The Bidding mechanism that may be used by UPI Bidders to make Bids in the Offer in accordance with UPI Circulars
UPI PIN	Password to authenticate UPI transaction
Working Day	All days on which commercial banks in Mumbai, India are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/Offer Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, India are open for business and the time period between the Bid/Offer Closing Date and 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 in India in accordance with circulars issued by SEBI.

#### Technical and Industry Related Terms

<b>Terms</b>	<b>Description</b>
ABA	Aatmanirbhar Bharat Abhiyan
AIF	Agriculture Infrastructure Fund
API	Active Pharmaceutical Ingredients
APMC	Agricultural Produce Market Committee
BBSRC	Biotechnology and Biological Sciences Research Council
CAGR	Compounded Annual Growth Rate
CPI	Consumer Price Index
DDT	Dichloro-Diphenyl-Trichloroethane
DFI	Doubling of Farmers Income
EU	European Union
GDP	Gross domestic product
GM	Genetically Modified
GVA	Gross Value Added
HYV	High Yielding Varieties
IPM	Integrated Pest Management
LTIF	Long Term Irrigation Fund
MIDH	Mission for Integrated Development of Horticulture
MOSPI	Ministry of Statistics and Programme Implementation
MSP	Minimum Support Price
NABL	National Accreditation Board for Testing and Calibration Laboratories
NBHM	National Bee and Honey Mission
OP	Organophosphates
PGR	Plant Growth Regulator
PLI	Production Linked Incentive
PMFBY	Pradhan Mantri Fasal Bima Yojana
PM-KISAN	Pradhan Mantri Kisan Samman Nidhi

<b>Terms</b>	<b>Description</b>
PMKSY	Pradhan Mantri Krishi Sinchai Yojana
PPP	Public Private Partnership
Q-o-Q	Quarter-on-Quarter
R&D	Research & Development
RBI	Reserve Bank of India
RKVY	Rashtriya Krishi Vikas Yojana
ROCE	Return on Capital Employed
SLSC	State Level Sanctioning Committee
The Act	The Insecticides Act, 1968
UPSIDC	Uttar Pradesh State Industrial Development Corporation
USA	United States of America
USD	United States Dollar
UTs	Union Territories
Y-o-Y	Year-on-Year

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

<b>Term</b>	<b>Description</b>
A/c	Account
AGM	Annual general meeting
AIFs	Alternative investment funds as defined in and registered under the SEBI AIF Regulations
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AS/Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
Authorised Dealers	Authorised Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulation, 2000.
AY	Assessment Years
BIFR	Board of Industrial and Financial Reconstruction
Bn	Billion
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Calendar Year or year	Unless the context otherwise requires, shall refer to the twelve month period ending December 31
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
Companies Act, 1956	Companies Act, 1956, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires
Companies Act, 2013/ Companies Act	Companies Act, 2013 and the rules, regulations, notifications, modifications and clarifications thereunder
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020, and a pandemic on March 11, 2020
Demat	Dematerialised
Depositories Act	Depositories Act, 1996.
Depository Depositories	or NSDL and CDSL.
DIN	Director Identification Number



<b>Term</b>	<b>Description</b>
DP ID	Depository Participant's Identification Number
DP/ Participant	Depository A depository participant as defined under the Depositories Act
DPIIT	The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECS	Electronic Clearing System
EGM	Extraordinary general meeting
EMIs	Equated Monthly Installments
EPS	Earnings per share
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year, FY/ F.Y.	Fiscal, Period of twelve months ending on March 31 of that particular year, unless stated otherwise
FPI(s)	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors as defined under SEBI FVCI Regulations
GDP	Gross domestic product
GoI	Government of India
GST	Goods and services tax
Hazardous Waste Rules	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
HNI	High net worth individuals
HUF	Hindu undivided family
I.T. Act	The Income Tax Act, 1961
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act and referred to in the Ind AS Rules
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015
IPO	Initial public offer.
IRDAI	Insurance Regulatory Development Authority of India
IT	Information technology
MCA	Ministry of Corporate Affairs, Government of India
Mn/ mn	Million
MNC	Multinational Company
N.A. or NA	Not applicable
NACH	National Automated Clearing House
NAV	Net asset value
NEFT	National electronic fund transfer
NFE	Net foreign exchange
Non-Resident	A person resident outside India, as defined under FEMA
NPCI	National payments corporation of India
NRE Account	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NRI/ Indian	Non-Resident A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited

<b>Term</b>	<b>Description</b>
NSE	National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer
P/E Ratio	Price/earnings ratio
PAN	Permanent account number allotted under the I.T. Act
R&D	Research and development
RBI	Reserve Bank of India
Regulation S	Regulation S under the Securities Act
RONW	Return on net worth
Rs./ Rupees/ ₹ / INR	Indian Rupees
RTGS	Real time gross settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Mutual Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
State Government	Government of a State of India
STT	Securities Transaction Tax
Systematically Important Non-Banking Financial Company or NBFC-SI	Systematically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
Trademarks Act	The Trademark Act, 1999
US GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
USA/ U.S. / US	The United States of America
USD / US\$	United States Dollars
VCFs	Venture capital funds as defined in, and registered with SEBI under, the SEBI VCF Regulations

<b>Term</b>	<b>Description</b>
Water Act	Water (Prevention and Control of Pollution) Act, 1974
Wilful Defaulter or Fraudulent Borrower	Wilful Defaulter or Fraudulent Borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
WDV	Written Down Value
YoY	Year on Year

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

### **Certain Conventions**

All references to “India” contained in this Red Herring Prospectus are to the Republic of India. All references to the “Government”, “Indian Government”, “GOI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable. All references to the “U.S.”, “US”, “U.S.A” or “United States” are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Red Herring Prospectus is in Indian Standard Time (“IST”).

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

### **Financial Data**

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Red Herring Prospectus have been derived from our Restated Financial Information. For further information, see “*Restated Financial Information*” on page 218.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references in this Red Herring Prospectus to a particular Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Restated financial information of our Company, the restated Ind AS summary statements of assets and liabilities as at four months ended July 31, 2022 and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, and the restated Ind AS summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the four months ended July 31, 2022 and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, together with the summary of significant accounting policies and explanatory information thereon, which have been derived from our audited Ind AS financial statements as at and for the four months ended July 31, 2022 and years ended March 31, 2022, March 31, 2021 and March 31, 2020 each prepared in accordance with Ind AS and restated in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time read with the SEBI communication dated October 28, 2021.

Financial information for the four months period ended July 31, 2022 may not be indicative of the financial results for the full year and are not comparable with financial information for the years ended March 31, 2022, March 31, 2021 and March 31, 2020.

There are significant differences between Ind AS, 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 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 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 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Red Herring Prospectus should, accordingly, be limited. For risks relating to significant differences between Ind AS and other accounting principles, see “*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition*” on page 60.

Unless the context otherwise indicates, any percentage amounts or ratios (excluding certain operational metrics), relating to the financial information of our Company in this Red Herring Prospectus have been calculated on the basis



of amounts derived from our Restated Financial Information.

## **Non-GAAP Measures**

The body of generally accepted accounting principles is commonly referred to as “GAAP”. Our management believes that the presentation of certain non-GAAP measures provides additional useful information to investors regarding our performance and trends related to our results of operations. Accordingly, we believe that when non-GAAP financial information is viewed with GAAP financial information, investors are provided with a more meaningful understanding of our ongoing operating performance and financial results. For this reason, we have included in this Red Herring Prospectus certain non-GAAP financial measures, including EBITDA, EBITDA margin, operating EBITDA, sales margin, ROA, ROCE and certain other statistical information relating to our operations and financial performance.

We use non-GAAP measures from period to period to assess the operational performance of our operations as well as our financial position, financial results and liquidity. In addition, such non-GAAP measures are commonly used by securities analysts, investors and others to evaluate the financial performance of companies within our industry since they can allow for a better comparison between our results and the results of other companies within our industry. However, such measures are not measures of operating performance or liquidity defined by generally accepted accounting principles, and they are not intended to comply with the reporting requirements of the SEBI or the U.S. SEC and will not be subject to review by the SEBI or the U.S. SEC. In addition, such non-GAAP measures are not computed on the basis of any standard methodology that is applicable across the industry in which we operate in, and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies. Accordingly, such non-GAAP measures have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our financial position or results of operations as reported under GAAP. Certain non-GAAP measures such as EBIT, EBITDA, EBITDA Margin, Gross Margin, Capital Employed, Return on Capital Employed, Return on Equity, PAT Margin, total borrowings and debt to equity ratio, total product sales to revenue from operations (standalone), Net Worth and Return on Net Worth and net asset value per equity share (“**Non-GAAP Measures**”) presented in this Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the year / period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term and, therefore, a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting their usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that they are useful to an investor in evaluating us because these are widely used measures to evaluate a company’s operating performance. See “*Risk Factors – Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA have been included in this Red Herring Prospectus. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.*” on page 55.

## **Currency and Units of Presentation**

All references to “**Rupees**” or “**₹**” or “**Rs.**” are to Indian Rupees, the official currency of the Republic of India.

All references to “**U.S.\$**”, “**U.S. Dollar**”, “**USD**” or “**U.S. Dollars**” are to United States Dollars, the official currency of the United States of America.

In this Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in millions. One million represents ‘10 lakhs’ or 1,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Red Herring Prospectus expressed in such denominations as provided in their respective sources.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed

are due to rounding off. All per share and percentage figures have been rounded off to one/two decimal places. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded off to such number of decimal places as provided in such respective sources.

## Time

All references to time in this Red Herring Prospectus are to Indian Standard Time. Unless indicated otherwise, all references to a year in this Red Herring Prospectus are to a fiscal year.

## Exchange Rates

This Red Herring Prospectus contains conversion 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 exchange rates for the periods indicated are provided below:

Currency	Exchange Rate as on			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
1 USD	81.55	75.81	73.50	75.39

(in ₹)

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

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

## Industry and Market Data

Unless stated otherwise, industry and market data used in this Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publication and sources. Further, the information has also been derived from the report titled “*Report on Pesticides Industry*” dated October, 2022 which has been prepared by CARE Advisory Research and Training Limited for the Offer and has been commissioned and paid for by our Company from CARE Advisory Research and Training Limited, by way of an engagement letter dated November 23, 2021. For risks in relation to commissioned reports, see “*Risk Factors – Certain sections of this Red Herring Prospectus contain information from Company Commissioned CareEdge Report which has been exclusively commissioned and paid for by our Company and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.*” on page 55. The Company Commissioned CareEdge Report is also available on the website of our Company at <https://www.dharmajcrop.com/material-contracts-documents/>

In accordance with the SEBI ICDR Regulations, “*Basis for Offer Price*”, beginning on page 118 includes information relating to our peer group companies. Such information has been derived from publicly available sources. No investment decision should be made solely on the basis of such information.

The extent to which the market and industry data used in this 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 business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*”, beginning on page 31. Accordingly, investment decisions should not be based solely on such information.

## FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “goal”, “expect”, “estimate”, “intend”, “believe”, “objective”, “plan”, “project”, “should”, “will”, “will continue”, “will pursue”, “likely to”, “propose”, “seek to” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All statements regarding our expected financial conditions, results of operations, business plans and projects are ‘forward – looking statement’. All statements in this Red Herring Prospectus that are not statements of historical fact are ‘forward – looking statements’.

These forward-looking statements, whether made by us or a third-party, are based on our current plans, estimates, presumptions and expectations and actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our growth and expansion strategies, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our 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 and changes in competition in our industry. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- Our ability to successfully identify and respond to changing customer preferences and demands in a cost-effective and timely manner;
- Our ability to successfully manage the introduction of new products;
- Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations;
- Our ability to maintain our relationships with domestic vendors and their inability to meet our products specifications and supply our products in timely manner;
- Regulatory changes pertaining to the industry in India which have an impact on our business and our ability to respond to them;
- Our ability to successfully implement our strategy, growth and expansion;
- Competition in the industry in which we operate in;
- Our ability to respond to technological changes;
- Slowdown in economic growth in India or the other countries in which we operate; and
- Our ability to obtain/ renew registration of our products.

For further discussion on factors that could cause our actual results to differ from the expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 31, 154 and 277, respectively. By their nature, certain market risk disclosures are only estimating 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 the current views of our Company as of the date of this 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 Promoters, Selling Shareholders, Directors, the BRLMs, the Syndicate Member nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come

to fruition.

In accordance with regulatory requirements, our Company and the BRLMs will ensure that investors are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges. The Selling Shareholders shall ensure that they will keep our Company and the BRLMs informed of all developments pertaining to the Offered Shares and themselves that may be material from the context of the Offer.

## SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of the terms of the Offer, certain disclosure included in this Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Red Herring Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Red Herring Prospectus, including the sections titled “Risk Factors”, “The Offer”, “Capital Structure”, “Objects of the Offer”, “Industry Overview”, “Our Business”, “Our Promoters and Promoter Group”, “Financial Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operation”, “Outstanding Litigation and Material Developments” and “Offer Procedure” on pages 31, 67, 83, 98, 127, 154, 209, 218, 277, 308 and 339, respectively of this Red Herring Prospectus.

### Primary business of our Company

We are an agrochemical company engaged in the business of manufacturing, distributing, and marketing of a wide range of agro chemicals such as insecticides, fungicides, herbicides, plant growth regulator, micro fertilizers and anti-biotic to the B2C and B2B customers. Within our differentiated business model, we provide agrochemical products and manufacturing services to multinational corporations. We also engage in the marketing and distribution of agrochemical products under brands in-licensed by us, owned by us and through generic brands, to Indian farmers through our distribution network. We export our products to more than 25 countries in Latin America, East African Countries, Middle East and Far East Asia. We sell our agrochemical products in granules, powder and liquid forms our customers. Additionally, we manufacture and sell general insect and pest control chemicals for Public Health protection. We provide crop protection solutions to the farmer to assist them to maximize productivity and profitability.

For further details, see “Our Business” on page 154.

### Industry in which our Company operates

During the five-year period 2017-2021, the global pesticides market is estimated to have grown at a Compounded Annual Growth Rate (CAGR) of around 2.5% from USD 62 billion in 2017 to USD 68 billion in 2021. In the global agrochemicals market, India is the 4th largest producer led by USA, Japan and China. Also, India is a net exporter of agrochemicals and has emerged as the 13th largest exporter of pesticides globally.

The Indian agrochemicals industry can be primarily divided into the following types: a. Insecticides b. Fungicides c. Herbicides. The overall Indian pesticides and other agrochemicals market grew at a CAGR of 4.5% from Rs.368 billion in 2013-14 to Rs.439 billion in 2017-18. The overall Indian pesticides and other agrochemicals industry is estimated to increase at a CAGR of 7.5%-8.5% by 2026-27 on account of an upward growth expected in the international market and a likely increase in domestic usage of pesticides in India (Source: Company Commissioned CareEdge Report).

For further details, see “Industry Overview” on page 127.

### Name of Promoters

As on the date of this Red Herring Prospectus, our Promoters are Rameshbhai Ravajibhai Talavia, Jamankumar Hansarajbhai Talavia, Jagdishbhai Ravajibhai Savaliya and Vishal Domadia. For further details, see “Our Promoters and Promoter Group” on page 209.

### Offer Size

Offer	Up to [●] Equity Shares, aggregating up to ₹ [●] million.
of which:	
- Fresh Issue <sup>(1)</sup>	Up to [●] Equity Shares, aggregating up to ₹ 2,160.00 million.
- Offer for Sale <sup>(2)</sup>	Up to 1,483,000 Equity Shares, aggregating up to ₹ [●] million by the Selling Shareholders.

<i>of which:</i>	
Employee Reservation Portion <sup>(3)</sup>	Up to 55,000 Equity Shares, aggregating up to ₹ [●] million
Net Offer	Up to [●] Equity Shares aggregating up to ₹[●] million

- (1) *The Offer has been authorised by our Board pursuant to resolution passed on November 18, 2021 and the Fresh Issue has been authorised by our Shareholders pursuant to a resolution passed on November 25, 2021.*
- (2) *The Selling Shareholders has specifically confirmed that the Offered Shares are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see “Other Regulatory and Statutory Disclosures” beginning on page 316.*
- (3) *Our Company and the Selling Shareholders, in consultation with the BRLMs, may offer a discount of up to 5% (equivalent to ₹[●] per Equity Share) on the Offer Price to the Eligible Employees Bidding under the Employee Reservation Portion, respectively. The amount of Employee Discount will be advertised in all newspapers wherein the pre-Offer advertisement will be published. For further details, see “Offer Procedure” on page 339. Unless the Employee Reservation Portion is under-subscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹200,000 up to ₹500,000 (net of Employee Discount). Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Offer and be subject to compliance with Regulation 6(1) of the SEBI ICDR Regulations. In case of under-subscription in the Net Offer (other than in the QIB Category), spill over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion subject to compliance with Regulation 6(1) of the SEBI ICDR Regulations and Rule 19(2)(b) of the SCRR.*

The Offer and Net Offer shall constitute [●]% and [●]% of the post-Offer paid up equity share capital of our Company. For further details, see “The Offer” and “Offer Structure” on pages 67 and 334, respectively.

### Objects of the Offer

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

Particulars	Amount (₹ in million)
Funding capital expenditure towards setting up of a manufacturing facility at Saykha Bharuch, Gujarat.	1,049.69
Funding incremental working capital requirements of our Company	450.00
Repayment and/or pre-payment, in full and/or part, of certain borrowings of our Company	100.00
General corporate purposes*	[●]

*\*To be determined upon finalisation of the Offer 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.*

For further details, see “Objects of the Offer” beginning on page 98.

### Aggregate pre-Offer shareholding of Promoters, Promoter Group and Selling Shareholders

The aggregate pre-Offer shareholding of our Promoters, Promoter Group and Selling Shareholders as a percentage of the pre-Offer paid-up equity share capital of our Company is set out below:

Sr. No.	Name of shareholder	Pre-Offer	
		No. of Equity Shares	Percentage of the pre-Offer paid up Equity Share capital (%)
A.	Promoters		

Sr. No.	Name of shareholder	Pre-Offer	
		No. of Equity Shares	Percentage of the pre-Offer paid up Equity Share capital (%)
1.	Rameshbhai Ravajibhai Talavia	9,008,087	36.49
2.	Jamankumar Hansarajbhai Talavia	8,250,255	33.42
3.	Vishal Domadia	1,290,000	5.23
4.	Jagdishbhai Ravajibhai Savaliya	507,600	2.06
	<b>Total (A)</b>	<b>19,055,942</b>	<b>77.20</b>
<b>B.</b>	<b>Promoter Group</b>		
1.	Manjulaben Rameshbhai Talavia*	2,667,285	10.81
2.	Muktaben Jamankumar Talavia*	2,549,745	10.33
3.	Prafullaben Shantilal Savaliya jointly held with Shantilal Ravajibhai Savaliya	230,400	0.93
4.	Domadia Artiben *	150,000	0.61
5.	Ilaben Jagdishbhai Savaliya*	30,000	0.12
	<b>Total (B)</b>	<b>5,627,430</b>	<b>22.80</b>
	<b>Total (A+B)</b>	<b>24,683,372</b>	<b>100.00</b>

\* Selling Shareholders participating in the Offer for Sale.

1. Up to 709,500 Equity Shares are held by Manjulaben Rameshbhai Talavia;
2. Up to 656,000 Equity Shares are held by Muktaben Jamankumar Talavia;
3. Up to 87,500 Equity Shares by Domadia Artiben; and
4. Up to 30,000 Equity Shares by Ilaben Jagdishbhai Savaliya.

For further details, see “Capital Structure” beginning on page 83.

### Summary of Selected Financial Information

A summary of the financial information of our Company as per the Restated Financial Information is as follows:

Particulars	As at and for the four months period ended July 31, 2022	As at and for the Fiscal		
		2022	2021	2020
Share capital	246.83	246.83	164.56	164.56
Net worth <sup>(1)</sup>	1,011.67	828.15	561.44	352.15
Revenue (total income)	2,211.72	3,962.88	3,035.65	1,991.65
Profit after tax	183.59	286.90	209.60	107.59
Earnings per share (basic and diluted)				
- Basic (in ₹) <sup>(2)*</sup>	7.44	11.62	8.49	5.75
- Diluted (in ₹) <sup>(3)*</sup>	7.44	11.62	8.49	5.75
Net asset value per Equity Share (in ₹) <sup>(4)</sup>	40.99	33.55	22.75	18.82
Total borrowings	515.61	369.28	269.23	201.77

\*Not annualized

- (1) Net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation;
- (2) Basic EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average no. of equity shares outstanding during the year/ period.
- (3) Diluted EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average

no. of diluted equity shares outstanding during the year/ period.

- (4) *Net Asset Value per share = Net Worth at the end of the year/period divided by total number of equity shares outstanding at the end of year/ period.*

For further details, see “*Financial Statements*” and “*Other Financial Information*” on page 218 and 272, respectively.

### **Qualifications by the Statutory Auditors which have not been given effect to in the Restated Financial Information**

There are no qualifications by the Statutory Auditors which have not been given effect to in the Restated Financial Statements.

### **Summary of outstanding litigations**

A summary of outstanding litigation proceedings involving our Company, Promoters and Directors, to the extent applicable, as on the date of this Red Herring Prospectus is provided below:

<b>Name of Entity</b>	<b>Criminal Proceeding</b>	<b>Tax Proceeding</b>	<b>Statutory or Regulatory Proceeding</b>	<b>Disciplinary actions by the SEBI or Stock Exchanges against our Promoters</b>	<b>Material Civil Litigation</b>	<b>Aggregate Amount Involved (₹ in million)*</b>
<b>Company</b>						
By our Company	31	-	-	-	2	39.58
Against our Company	1	-	1	-	2	69.79
<b>Directors (Other than Promoters)</b>						
By our Directors	-	-	-	-	-	-
Against the Directors	-	-	-	-	-	-
<b>Promoters</b>						
By our Promoters	-	-	-	-	-	-
Against our Promoters	-	-	-	-	1	69.78

*\*To the extent quantifiable*

For further details, see “*Outstanding Litigation and Material Developments*” beginning on page 308.

### **Risk factors**

Investors should see “*Risk Factors*”, beginning on page 31 to have an informed view before making an investment decision.

### **Summary of contingent liabilities and commitments**

The details of our contingent liabilities are set forth in the table below:

<b>Particulars</b>	<b>As of July 31, 2022</b>	<b>As of March 31</b>		
		<b>2022</b>	<b>2021</b>	<b>2020</b>
Claims against our Company non acknowledged as debt for infringement of patent	20.20	20.20	20.20	-
Outstanding bank guarantee	-	5.00	5.00	-

*(₹ in million)*

For further details, see “*Financial Statements - Restated Financial Information –Note 32: Commitments and*



Contingent liabilities” on page 257.

### Summary of related party transactions

Summary of the related party transactions as per Ind AS 24 - Related Party Disclosures derived from the Restated Financial Statements are as follows:

(₹ in million)				
Particulars	As at July 31, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
<b>a. Key Managerial Person</b>				
<b>Remuneration Expenses:</b>				
Rameshbhai Ravajibhai Talavia	1.20	3.15	2.44	2.04
Jamanbhai Hansarajbhai Talavia	1.08	2.92	2.42	2.04
Vishal Domadia	0.87	2.26	1.60	1.36
Jagdishbhai Ravjibhai Savaliya	0.68	1.89	1.58	1.36
Priyanka Choubey	-	0.20	0.27	0.22
Malvika Bhadreshbhai Kapasi	0.13	0.19	-	-
<b>Interest Expenses:</b>				
Rameshbhai Ravajibhai Talavia	0.65	1.38	0.38	2.53
Jamanbhai Hansarajbhai Talavia	0.45	0.87	0.22	2.19
Vishal Domadia	0.18	0.58	0.73	2.03
Jagdishbhai Ravjibhai Savaliya	0.17	0.48	0.56	1.15
Manjulaben Rameshbhai Talavia	0.46	1.00	0.26	0.97
Muktaben Jamankumar Talavia	0.20	0.50	0.28	0.74
<b>Dividend Payments:</b>				
Rameshbhai Ravajibhai Talavia	-	0.60	-	-
Jamanbhai Hansarajbhai Talavia	-	0.55	-	-
Vishal Domadia	-	0.09	-	-
Jagdishbhai Ravjibhai Savaliya	-	0.03	-	-
Manjulaben Rameshbhai Talavia	-	0.18	-	-
Muktaben Jamankumar Talavia	-	0.17	-	-
Domadia Artiben	-	0.01	-	-
Illaben Jagdishbhai Savaliya	-	0.002	-	-
Prafullaben Shantilal Savaliya	-	0.02	-	-
<b>Sitting Fees:</b>				
Deepak Bachubhai Kanparia	0.01	0.03	0.01	-
Maheshkumar Balubhai Joshi	-	0.02	-	-
Bhaveshkumar Jayantibhai Ponkiya	0.01	0.01	-	-
Amisha Fenil Shah	0.01	0.01	-	-
<b>Loan Taken:</b>				
Rameshbhai Ravajibhai Talavia	0.58	18.44	2.50	15.55
Jamanbhai Hansarajbhai Talavia	0.60	13.22	2.10	10.61
Vishal Domadia	-	0.80	-	-
Jagdishbhai Ravjibhai Savaliya	0.40	-	-	-
Manjulaben Rameshbhai Talavia	-	13.55	1.20	3.00
Muktaben Jamankumar Talavia	-	3.70	1.89	4.50
<b>Loan Repaid:</b>				
Rameshbhai Ravajibhai Talavia	0.07	0.43	0.12	53.49
Jamanbhai Hansarajbhai Talavia	0.04	0.59	0.07	47.80
Vishal Domadia	0.02	2.18	0.55	24.22
Jagdishbhai Ravjibhai Savaliya	0.02	0.15	0.18	11.80
Manjulaben Rameshbhai Talavia	0.05	0.31	0.08	17.18
Muktaben Jamankumar Talavia	0.02	0.05	0.09	15.44

Particulars	As at July 31, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
<b>Remuneration/ Reimbursement of expenses payable:</b>				
Rameshbhai Ravajibhai Talavia	0.28	0.17	0.09	0.02
Jamanbhai Hansarajbhai Talavia	0.35	0.20	0.10	0.01
Vishal Domadia	0.30	0.17	0.07	0.01
Jagdishbhai Ravajibhai Savaliya	0.18	0.13	0.07	0.01
Priyanka Choubey	-	-	0.02	-
Malvika Bhadreshbhai Kapasi	0.03	0.03	-	-
<b>Loan Outstanding:</b>				
Rameshbhai Ravajibhai Talavia	25.45	24.28	4.90	2.14
Jamanbhai Hansarajbhai Talavia	17.33	16.32	2.81	0.56
Vishal Domadia	6.99	6.83	7.63	7.45
Jagdishbhai Ravajibhai Savaliya	6.79	6.23	5.90	5.52
Manjulaben Rameshbhai Talavia	17.73	17.32	3.08	1.70
Muktaben Jamankumar Talavia	7.56	7.38	3.23	1.15
<b>b. Enterprise over which key management personnel / their relatives have significant influences</b>				
<b>Donation:</b>				
Dharmaj Foundation	0.12	3.35	1.71	-
<b>c. Entity having significant influence</b>				
<b>Investment</b>				
Khetipoint Private Limited	-	4.89	-	-

For further details, see “Financial Statements - Restated Financial Information – Note 36 – Disclosure of transactions with Related Parties, as required by Indian Accounting Standard (Ind AS) - 24 Related Party Disclosures” beginning on page 258.

### Financing Arrangements

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

### Weighted average price at which the Equity Shares were acquired by the Selling Shareholders including Promoters in the one year preceding the date of this Red Herring Prospectus

The weighted average price at which the Equity Shares were acquired by the Selling Shareholders including Promoters in the last one year preceding the date of this Red Herring Prospectus is provided below:

Name*	Number of Equity Shares acquired	Weighted average price per Equity Share (in ₹)*
<b>Promoters</b>		
Rameshbhai Ravajibhai Talavia	3,002,696	Nil
Jamankumar Hansarajbhai Talavia	2,750,085	Nil
Vishal Domadia	430,000	Nil
Jagdishbhai Ravajibhai Savaliya	169,200	Nil
<b>Selling Shareholders</b>		
Manjulaben Rameshbhai Talavia	889,095	Nil
Muktaben Jamankumar Talavia	849,915	Nil
Domadia Artiben	50,000	Nil
Ilaben Jagdishbhai Savaliya	10,000	Nil

\* As per certificate issued by our Statutory Auditors dated November 21, 2022

## Details of price at which specified securities were acquired in the last three years preceding the date of this Red Herring Prospectus

The details of the price at which specified securities were acquired in the last three years preceding the date of this Red Herring Prospectus, by our Promoters, members of the Promoter Group, Selling Shareholders and Shareholders entitled with right to nominate directors or any other rights is disclosed below:

Name of the acquirer/shareholder	Date of acquisition of equity shares	Number of equity shares acquired	Face value per equity share (In ₹)	Acquisition price per equity share (In ₹)
<b>Promoters</b>				
Rameshbhai Ravajibhai Talavia	December 03, 2019	455,581	10	21.95
Jamankumar Hansarajbhai Talavia	November 27, 2021	3,002,696	10	Nil*
Vishal Domadia	November 27, 2021	2,750,085	10	Nil*
Jagdishbhai Ravjibhai Savaliya	November 27, 2021	430,000	10	Nil*
	November 27, 2021	169,200	10	Nil*
<b>Members of the Promoter Group</b>				
Manjulaben Rameshbhai Talavia	November 27, 2021	889,095	10	Nil*
Muktaben Jamankumar Talavia	November 27, 2021	849,915	10	Nil*
Prafullaben Shantilal Savaliya jointly held with Shantilal Ravjibhai Savaliya	November 27, 2021	76,800	10	Nil*
Domadia Artiben	November 27, 2021	50,000	10	Nil*
Ilaben Jagdishbhai Savaliya	November 27, 2021	10,000	10	Nil*

\* Acquisition pursuant to bonus issue in the ratio of 1 Equity Share for every 2 Equity Share held in our Company

## Average cost of acquisition of Equity Shares by the Promoters including Selling Shareholders

The average cost of acquisition of Equity Shares held by our Promoters and Selling Shareholders set forth in the table below:

Name	Number of Equity Shares held	Average cost of acquisition per Equity Share (in ₹)*
<b>Promoters</b>		
Rameshbhai Ravajibhai Talavia	9,008,087	7.09
Jamankumar Hansarajbhai Talavia	8,250,255	6.58
Vishal Domadia	1,290,000	7.28
Jagdishbhai Ravjibhai Savaliya	507,600	9.17
<b>Selling Shareholders</b>		
Manjulaben Rameshbhai Talavia	2,667,285	7.52
Muktaben Jamankumar Talavia	2,549,745	7.19
Domadia Artiben	150,000	1.98
Ilaben Jagdishbhai Savaliya	30,000	1.98

Note: The average cost of acquisition has been calculated by considering the number of Equity Shares acquired on a gross basis (and adjusting the average cost for the number of Equity Shares sold, if any).

\* As per certificate issued by our Statutory Auditors dated November 21, 2022.

**Weighted average cost of acquisition of all Equity Shares transacted in the three years, one year and eighteen months preceding the date of this Red Herring Prospectus**

The weighted average cost of acquisition price at which Equity Shares were acquired by the Shareholders in the three years, one year and eighteen months, preceding the date of this Red Herring Prospectus is as follows:

Period	Weighted average cost of acquisition (in ₹)#	Cap price is 'X' times the weighted Average Cost of Acquisitions	Range of acquisition price: lowest price – highest price (in ₹)#
Last one year preceding the date of the Red Herring Prospectus	-	[●]	-
Last eighteen months preceding the date of the Red Herring Prospectus	-	[●]	-
Last three years preceding the date of the Red Herring Prospectus	0.32	[●]	2.89*-2.89

\*Lowest price at which the Equity Shares were acquired, excluding through gift and bonus issue.

#As per certificate issued by our Statutory Auditors dated November 21, 2022.

**Details of pre-IPO Placement**

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Red Herring Prospectus till the listing of the Equity Shares.

**Issuance of equity shares for consideration other than cash in the last one year**

Except as set out below, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Red Herring Prospectus.

Date of allotment/when fully paid up	of	Number of Equity Shares	Face value (₹)	Name of allottee	No of Equity Shares allotted	Reasons for allotment	Benefits accrued to our Company
November 27, 2021		8,227,791	10	Rameshbhai Ravajibhai Talavia	3,002,696	Bonus issue in the ratio of 1 Equity Share for every 2 Equity Share held in our Company	-
				Jamankumar Hansarajbhai Talavia	2,750,085		
				Manjulaben Rameshbhai Talavia	889,095		
				Muktaben Jamankumar Talavia	849,915		
				Vishal Domadia	430,000		
				Jagdishbhai Ravjibhai Savaliya	169,200		
				Ilaben Jagdishbhai Savaliya	10,000		
				Domadia Artiben	50,000		
				Prafullaben Shantilal Savaliya jointly held with Shantilal Ravjibhai Savaliya	76,800		

**Split/ Consolidation of Equity Shares or our Company in the last one year**

Our Company has not undertaken a split or consolidation of the Equity Shares in the last one year.

**Exemption from complying with any provisions of securities laws, if any, granted by SEBI**

As on the date of this Red Herring Prospectus, our Company has not been granted by SEBI any exemption from complying with any provisions of securities laws.

## SECTION II - RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below may not be exhaustive or the only ones relevant to us, the Equity Shares or the industry segments in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently do not deem material may arise or may become material in the future. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks mentioned below. If any or a combination of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and investors may lose all or part of their investment. Further, some events may be material collectively rather than individually.*

*In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with “Industry Overview”, “Our Business”, “Key Regulations and Policies”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Outstanding Litigation and Material Developments” on pages 127, 154, 178, 277 and 308, respectively, as well as the other financial and statistical information contained in this Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved. Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Potential investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to legal and regulatory environment which may differ in certain respects from that of other countries.*

*This Red Herring Prospectus also contains forward-looking statements that involves risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus. See “Forward- Looking Statements” on page 20. Unless the context requires otherwise, all financial information included herein is derived from our Restated Financial Statements included in “Financial Statements” beginning on page 218.*

*Unless stated otherwise, industry and market data used in this section has been obtained or derived from the report titled “Report on Pesticides Industry” dated October 2022, prepared and issued by CARE Advisory Research and Training Limited (“**Company Commissioned CareEdge Report**”) (which is a paid report and was commissioned by us in connection with the Offer). Unless otherwise indicated, all financial, operational, industry and other related information derived from the Company Commission CareEdge Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see – Risk Factor – Certain sections of this Red Herring Prospectus contain information from Company Commissioned CareEdge Report which has been exclusively commissioned and paid for by our Company and any reliance on such information for making an investment decision in the Offer is subject to inherent risks” on page 55. Also see, “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data” on page 17.*

### INTERNAL RISK FACTORS

- 1. The outbreak of the COVID-19 Pandemic could have a significant effect on our results of operations and could negatively impact our business, revenues, financial condition and result of operations.***

The rapid outbreak of the COVID-19 Pandemic, has severely impacted the physical and financial health of the people across the globe and our business could be materially and adversely affected by the outbreak of the present public health epidemics. To prevent the contagion in the country, 4 phases of nationwide lockdown was announced by the Government of India. During the first lockdown, the Company operations were shut for few days and demand of our Company’s products and services has seen a slowdown during that period.

The spread of COVID-19 Pandemic may impact our Company’s operations. A slowdown in global economic growth or in economic growth in India (including as a result of the COVID-19 pandemic) could exert downward

pressure on the demand for our product and services, which could have an adverse effect on our business, cash flows, financial condition and results of operations.

Further, the emergence of second and third waves of COVID-19 Pandemic had created concern all over the country and had resulted in fresh restrictions in across the country, including free movement of people, closure of offices and banking channels or working on the limited capacities, thereby hampering businesses and day to day functioning of companies. To combat this COVID 19 Pandemic, presently, various state governments of India, after assessing the situation of COVID-19 Pandemic in India, had again imposed partial lockdown or full lockdown and had taken several initiatives for social distancing in various parts of the states of the country, barring certain essential services. These measures have impacted and may further impact our workforce and operations, the operations of our consumers, and those of our respective distributors, retailers, vendors and suppliers.

Given that the COVID -19 Pandemic and its impact remain a rapidly dynamic situation, the actual impact on our Company's business will depend on future developments, including, among other things, any new information concerning the severity of the COVID -19 Pandemic and any action to contain its spread or mitigate its impact. While, our Company continue to monitor the developments of the COVID-19 Pandemic situation closely, assess and respond proactively to minimize any adverse impacts on the financial position, cash flows and operating results of our Company, it is possible that the Company's business, financial condition and results of operations could be adversely affected due to the COVID-19 Pandemic. If the COVID-19 Pandemic situation persists or worsens, it may adversely impact our Company's business and the financial condition.

As these are unforeseen circumstances, it may give rise to risks that we may not have anticipated. If the outbreak of any of these pandemic or other severe pandemic, continues for an extended period, occur again and/or increases in severity, it could have an adverse effect on economic activity worldwide, including India, and could materially and adversely affect our business, cash flows, financial condition and results of operations.

- 2. We require certain approvals and licenses in the ordinary course of business, including certain registrations from the Central Insecticides Board and Registration Committee ("CIB&RC") for our agrochemicals and any failure to successfully obtain such registrations or maintain our statutory and regulatory permits and approvals required to operate our business and manufacturing facility would adversely affect our operations, results of operations and financial condition.***

We are required to obtain and maintain various statutory and regulatory permits, approvals, licenses and registrations to operate our business, certain of which have been applied for and certain of which are due to expire in the near future. In particular, we are engaged in the manufacture of agrochemicals and our products are required to obtain regulatory pre-approval. As per Section 9 of the Insecticides Act, any person desiring to import or manufacture any insecticide may apply to the registration committee, i.e. CIB&RC, for registration of such insecticide and there is a separate registration for each insecticide. Accordingly, we provide each of our agrochemicals to the CIB&RC for their approval where they check the composition and purity profile of our agrochemicals before granting registrations. In addition, under Section 13 of the Insecticides Act, any person desiring to manufacture, sell, stock or exhibit for sale or distribute any insecticide, is required to make an application to the licensing officer for the grant of license. In particular, for our Company, we obtain licenses under Section 13 of the Insecticides Act from the Department of Agriculture, Gujarat, which makes periodic visits to inspect the infrastructure facilities available at our manufacturing facility as well as our agrochemicals. As on the date of this Red Herring Prospectus, we have obtained registrations and license to manufacture agrochemicals from the CIB&RC Gujarat for 470 agrochemicals, out of which 269 agrochemical formulations and 6 agrochemical technicals are for sale in India and overseas markets and 195 agrochemical formulations are exclusively for sale in overseas markets.

In addition, as of the date of this Red Herring Prospectus, we have applied to CIB&RC for registration of 18 agrochemical formulations and 17 agrochemical technicals, which are pending at various stages. For further information such as validity and other details of registrations and license to manufacture agrochemicals from the CIB&RC Gujarat, see "*Government and Other Approvals*" on page 313. Although, we have duly obtained such approvals for manufacturing and distribute in India and in the international markets, there can be no assurance that we will be able to maintain or obtain the necessary approvals or registrations in the future in a timely manner or at all.

There may be instances where we have not applied for or obtained licenses or registrations in the ordinary course of business. While no legal action has been initiated against us in respect of these licenses and registrations, we cannot assure you that the absence of such licenses will not result in a regulatory authority taking any action against us, which may impact our business and operations. In the future, we will be required to renew such permits and approvals and obtain new permits and approvals for any proposed operations or products. While we believe that we will be able to renew or obtain such permits and approvals as and when required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Further, these permits, licenses and approvals could be subject to several conditions, and we cannot assure you that we would be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits, licenses or approvals. Some of our licenses and approvals expire from time to time in the ordinary course of business and there can be no assurance that we will be able to apply and obtain such approvals, licenses or renewals in a timely manner or that the approvals, licenses, permits and registrations may not be revoked in the event of any non-compliance with any terms or conditions imposed thereof. For further information, see “*Government and Other Approvals*” on page 313. An inability to renew, maintain or obtain any required permits, licenses, registrations or approvals may result in the interruption of a part or all of our operations and have a material adverse effect on our business, financial condition and results of operations.

- 3. We are subject to strict technical specifications, quality requirements, regular inspections and audits by our customers and our failure to comply with the quality standards and technical specifications prescribed by such customers may lead to loss of business from such customers and could negatively impact our reputation, which would have an adverse impact on our business prospects and results of operations.***

We are engaged in the manufacture of agrochemicals that are used in the manufacture of fungicides, herbicides, insecticides, plant growth regulators (PGR), micro fertilizers, and antibiotic. The manufacture of agrochemical formulations is complex, and we may experience problems during the manufacture of agrochemicals for a variety of reasons, including equipment malfunction, failure to follow specific protocols and procedures, manufacturing quality concerns, problems with raw materials, lack of technical know-how, natural disaster related events or other environmental factors. If our vendors fail to provide the raw materials or supply the same to our competitors, the manufacture of our agrochemicals could be disrupted, delayed or interrupted leading to adverse effect on our business, reputation, goodwill, results of operations and financial condition. Given the nature of our products and the sector in which we operate, our customers have stringent standards for product quality. Any failure on our part to maintain the applicable standards and manufacture products according to prescribed specifications, may lead to loss of business and reputation of our Company, rejection of the product, which will require us to incur additional cost, which will not be borne by the customer, to replace the rejected product, and loss of customer which could have adverse effect on our reputation, business and our financial condition. Additionally, it could expose us to monetary liability and, or, litigation

- 4. We typically do not enter into long-term agreements with majority of our customers, which would have a material adverse effect on our business, results of operations and financial condition.***

Though we have had repeat orders from customers and have developed long-term relationships with certain customers, we typically do not enter into long-term contracts with our customers. In the absence of long-term contracts, there can be no assurance that our existing customers will continue to purchase our products and any loss of our customers will have a material adverse effect on our business, results of operations and financial condition. Customers with whom we do not have long-term agreements may choose to cease sourcing our products. In the event a customer ceases to use us as its preferred supplier for products that were specifically created for them, we cannot assure you that we will be successful in marketing those products to another customer. This could lead to a surplus of those products in our inventory. We are also exposed to risks of lower sales volume or lower price realization on such volumes depending on prevailing market conditions, as a result of such short-term arrangements. Our relationship with our customers are therefore dependent to a large extent on our ability to regularly meet customer requirements, including price competitiveness, efficient and timely product deliveries, consistent product quality and minimum production capacity. In the event we are unable to meet such requirements in the future, it may result in decrease in orders or cessation of business from affected customers.



**5. *Our inability to identify and understand evolving industry trends, technological advancements, customer preferences and develop new products to meet our customers' demands may adversely affect our business.***

R&D is integral to our business and we are continuously engaged in trying to develop new processes for manufacturing agro-chemical products or improve or further optimise and streamline the process of the production of various agro-chemical products. Our R&D efforts may not result in new technologies or products being developed on a timely basis or meet the needs of our customers as effectively as competitive offerings. We have invested substantial effort, funds and other resources towards our R&D. In Fiscals 2020, 2021 and 2022, and in the four months ended July 31, 2022, our expenditure towards R&D was ₹ 0.22 million, ₹ 0.12 million, ₹ 0.26 million and ₹ 1.88 million, respectively. However, our ongoing investments in R&D for new processes may result in higher costs without a proportionate increase in revenues. Delays in any part of the process, our inability to obtain necessary regulatory approvals for our products or failure of a product to be successful at any stage could adversely affect our business. Consequently, any failure on our part to successfully introduce new processes may have an adverse effect on our business, results of operations and financial condition. Further, our competitors may develop competing technologies that gain market acceptance before or instead of our products. Further, to enable smooth operations at our R&D centre, we are also highly dependent on skilled workforce. The loss of the services of such skilled personnel or our inability to recruit or train a sufficient number of experienced personnel may have an adverse effect on our financial results and business prospects.

Further, the agro-chemicals industry is characterised by technological advancements, price fluctuations and intense competition. The laws and regulations applicable to our products, and our customers' product and service needs, change from time to time, and regulatory changes may render our products and technologies non-compliant or obsolete. Our ability to anticipate changes in technology and regulatory standards, understand industry trends and requirements, changes in consumer preferences and to address unidentified needs among our current and potential customers in a timely manner, is a significant factor in our ability to remain competitive. This depends on a variety of factors, including, meeting development, production, certification and regulatory approval schedules; execution of internal and external performance plans; availability of supplier produced raw materials for production; performance of suppliers; hiring and training of qualified personnel; validation/ approval of costs incurred on R&D; achieving cost and production efficiencies; identification of emerging regulatory and technological trends in our target end markets; validation and performance of innovative technologies; and the level of customer interest in new technologies and products. There can be no assurance that we will be able to secure the necessary technological knowledge, through our own R&D or through technical assistance agreements or through strategic acquisitions that will allow us to continue to develop our product portfolio or that we will be able to respond to industry trends by developing and offering cost effective products. We may also be required to make significant investments in R&D, which may strain our resources and may not provide results that can be monetized. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected.

**6. *Our business is subject to climatic conditions and is cyclical in nature. Seasonal variations and unfavourable local and global weather patterns may have an adverse effect on our business, results of operations and financial condition.***

As an agrochemical company, our business is sensitive to weather conditions such as rains, drought, floods, cyclones and natural disasters, as well as events such as pest infestations. There is growing concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters. Our results of operations are significantly affected by weather conditions in the agricultural regions in which our products are used. The most important determinant of our sales is the volume of crops planted. Adverse conditions early in the season, especially drought conditions, can result in significantly lower than normal plantings of crops and therefore lower demand for crop protection products. This can result in our sales in a particular region varying substantially from year to year.

Weather conditions can also result in earlier or later sowings and affect the levels of pest infestations, which may affect both the timing and volume of our sales or the product mix. Adverse weather conditions may also cause volatility in the prices of commodities, which may affect growers' decisions about the types and quantum of crops to plant and may consequently affect the sales of our crop protection products. The increasing concern over climate change may also result in enhanced regional and global legal and regulatory requirements to reduce or mitigate the effects of

greenhouse gases, as well as more stringent regulation of water rights. In the event that such regulations are enacted and are more aggressive than the sustainability measures that we are currently undertaking to improve our energy efficiency, we may experience significant increases in our costs of operations.

In addition, sales of agrochemical formulations in India are typically seasonal due to the monsoon. For example, demand for pesticides is generally higher during the monsoon season and majority of our product sales take place typically between the months of June and November. As a result of such seasonal fluctuations, our sales and results of operations may vary by fiscal quarter and may not be relied upon as indicators of the sales or results of operations of other fiscal quarters, or of our future performance.

**7. *Any unscheduled, unplanned or shutdowns in our manufacturing operations could have an adverse effect on our business, results of operations and financial condition.***

Any unscheduled, unplanned or prolonged disruption of our manufacturing operations, including, power failure, fire and unexpected mechanical failure of equipment, obsolescence, labour disputes, strikes, lockouts, earthquakes and other natural disasters, industrial accidents or any significant social, political or economic disturbances, or infectious disease outbreaks such as the COVID-19 pandemic, could reduce our ability to manufacture our products and adversely affect sales and revenues from operations in such period. While we have not encountered any material disruptions or power failure, fire and unexpected mechanical failure of equipment, obsolescence, labour disputes, strikes, lockouts, earthquakes and other natural disasters, industrial accidents or any significant social, political or economic disturbances, or infectious disease outbreak in the past three years, which have a material adverse effect on our business, results of operations, cash flows and financial condition, however the occurrence of any such incidents could also result in a destruction of certain assets, and adversely affect our results of operations. Any such disruption may interrupt our operations, which may interfere with manufacturing process, requiring us to either stop our operations or repeat activities that may involve additional time and increase our costs. However, other than impact of COVID-19 to the operations of the Company during the nationwide lockdown, our Company has not experienced any significant disruptions to its operations in the past three years.

Although we take precautions to minimize the risk of any significant operational problems at our manufacturing facility, our customer, dealer and/or distributor relationships, business, financial condition and results of operations may be adversely affected by any disruption of operations at our manufacturing facility, including due to any of the factors mentioned above. Our operations are dependent on our reactors, machines, and equipment for manufacturing our products. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. In addition, we may be subject to manufacturing disruptions due to contraventions by us of any of the conditions of our regulatory approvals, which may require our manufacturing facility to cease, or limit, production until the disputes concerning such approvals are resolved. As certain regulatory approvals are site specific, we may be unable to transfer manufacturing activities to another location immediately. We may also be required to carry out planned shutdowns of our facility for maintenance, statutory inspections and testing, or may shut down certain facility for capacity expansion and equipment upgrades. Further, we may also face protests from local citizens at our existing facility or while setting up new facility, which may delay or halt our operations.

Similarly, there is no assurance that those of our manufacturing facility unaffected by an interruption will have the capacity to increase their output to manufacture products for the affected manufacturing facility, to the extent that all outstanding orders will be fulfilled in a timely manner. In the event of prolonged interruptions in the operations of our manufacturing facility, we may have to import various supplies and products or purchase them locally in order to meet our production requirements, which could affect our profitability.

**8. *Inability to meet the quality standard norms prescribed by the central and state governments in India as well as governments of other countries where we export our products, could result in the sales of our products being banned or suspended or becoming subject to significant compliance costs, which could have a material adverse effect on our business growth and prospects, results of operations, financial condition, and cash flows.***

The quality of agrochemicals manufactured in India are open to independent verification by Government agencies including the respective governments of the countries where we export our products. Regulatory authorities, including the relevant state authorities under the Insecticides Act, may carry out inspection of our premises, plant, equipment, machinery, manufacturing or other processes and sample checks on any material or substance in relation to our product

at short notice or without notice. The Government authorities could impose fines or issue us show cause notices if the samples are not in conformity with the prescribed quality norms. Any failure on quality control and/ or the required level of packaging disclosures by our Company could lead to suspension of sales of those batches and/ or product or our products being banned for sales. Except, one of our product Emamectin Benzoate 1.9% EC was banned by Licensing Authority and Deputy Agriculture Director on November 25, 2021 as the same was not found in accordance with the Pesticide Medicine Act, 1968 Rule 3(5), our Company has not faced any suspension/ ban on sale of any product in the past due to failure to meet prescribed quality standards and which had material adverse effect on effect on our financial results and business prospects, though certain show cause notices and proceedings have been initiated by Government agencies in India in relation to misbranded products, there can be no assurance that our products will not face any suspension/ ban in the future. For further, see “*Outstanding Litigation and Material Developments*” on page 308. Any such order passed by the governmental authorities could generate adverse publicity about our Company and our products, which could have a material adverse effect on our business growth and prospects, financial condition, results of operations, and cash flows.

**9. *Our operations are subject to environmental and workers’ health and safety laws and regulations. We may have to incur material costs to comply with these regulations or suffer material liabilities or damages in the event of an incidence or non-compliance of environment and other similar laws and regulations which may have a material adverse effect on our reputation, business, financial condition and results of operations.***

Our operations are subject to extensive environmental and hazardous waste management laws and regulations in India, including the Environmental Protection Act, 1986, as amended (the “**Environment Act**”), the Air Act, the Water Act, the Hazardous and Other Wastes (Management and Trans boundary Movement) Rules, 2016, as amended, and other regulations promulgated by the Ministry of Environment, Forest and Climate Change, Government of India (“**MoEF**”) and various statutory and regulatory authorities and agencies in India.

The agro-chemical industry is subject to strict regulations with respect to a range of environmental matters including limitations on land use, licensing requirements, management of materials used in manufacturing activities, the storage of inflammable and hazardous substances and associated risks, the storage, treatment and disposal of wastes, remediation of contaminated soil and groundwater, air quality standards, water pollution and discharge of hazardous materials into the environment. For details of the key regulations applicable to our business in India, see “*Key Regulations and Policies*” on page 178.

Although, our Company has installed soil bio reactor which is used to treat the wastewater / sewage water and remove pollutants from the wastewater, dust or other pollutants into the water that exceed permitted levels and cause damage to others may give rise to liabilities towards the government and third parties, and may result in our incurring costs to remedy any such wastewater/ sewage water. Environmental laws and regulations in India have become and continue to be more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management and other expenditure to comply with environmental standards. While we have not encountered with any incidence or non-compliance of environment and other similar laws and regulations in the past three years, which have a material adverse effect on our business, results of operations, cash flows and financial condition, however any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings, including public interest litigation, being commenced against us, third party claims or the levy of regulatory fines. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing facility.

**10. *We depend on the success of our relationships with our customers. Our revenue is generated from certain of our key customers, and the loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows.***

We have developed strong and long-term relationships with various large and multinational corporations that has helped us expand our product offerings and geographic reach. Accordingly, we are dependent on such large and multinational corporations and our business depends on the continuity of our relationship with these customers. We are dependent on a limited number of customers for a significant portion of our revenues. In Fiscals 2020, 2021 and

2022, and in the four months ended July 31, 2022, our top 10 customers contributed ₹399.98 million, ₹526.79 million, ₹ 757.65 million and ₹ 480.39 million, respectively of our total revenues from operations and represented 20.18%, 17.42%, 19.22% and 21.74%, respectively, of our total revenues from operations in such periods. There can be no assurance that our significant customers in the past will continue to place similar orders with us in the future. A significant decrease in business from any such key customer, whether due to circumstances specific to such customer or adverse market conditions affecting the agro-chemical industry or the economic environment generally, may affect our business, results of operations and financial condition.

Our reliance on a select group of customers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. The deterioration of the financial condition or business prospects of these customers could reduce their requirement of our products and result in decrease in the revenues we derive from these customers. We cannot assure you that we will be able to maintain historic levels of business from our significant customers, or that we will be able to significantly reduce customer concentration in the future. In addition, our revenues may be adversely affected if there is an adverse change in any of our customers supply chain strategies or a reduction in their sourcing of products we offer, or if our customers decide to choose our competitors over us or if there is a significant reduction in the volume of our business with such customers. Maintaining strong relationships with our customers is, therefore, essential to our business strategy and to the growth of our business. The loss of one or more of our significant 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.

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

Our operations involve extending credit for extended periods of time to our customers, dealers and distributors in respect of our products, and consequently, we face the risk of non-receipt of these outstanding amounts in a timely manner or at all, particularly in the absence of long-term arrangements with customers, dealers and distributors. Our credit terms vary from 0 days to 90 days for our customers, dealers and distributors. While our customers typically provide us with letter of credits, we cannot guarantee that our customers, dealers and distributors will not default on their payments. Our inability to collect receivables from our customers, dealers and distributors in a timely manner or at all in future, could adversely affect our working capital cycle and cash flows. In Fiscals 2020, 2021, 2022 and for the four months period ended July 31, 2022, our trade receivables were ₹ 333.29 million, ₹ 361.82 million, ₹ 859.82 million and ₹ 1,455.30 million, respectively, which represented 16.73%, 11.92%, 21.70% and 65.80%, respectively, of our total income for such periods. Further, 9.17%, 5.26%, 4.03% and 1.50% of our trade receivables were pending beyond a period of 180 days in Fiscals 2020, 2021, 2022 and for the four months period ended July 31, 2022, respectively. Our receivable turnover day was 61 days, 44 days and 80 days in Fiscals 2020, 2021 and 2022, respectively, and any increase in our receivable turnover days will negatively affect our business. Further, bad debts amounted to ₹ 2.25 million, ₹ 0.22 million, nil in Fiscals 2020, 2021, 2022, respectively and nil for the four months period ended July 31, 2022, respectively. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, financial condition and results of operations.

Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our customers and dealers, and as a result could cause customers and dealers to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements, or default on their payment obligations to us. In particular, farmers may be adversely affected by a number of factors beyond their control, such as, severe monsoon, drought or low prices for their crops, which could affect their financial condition and consequently their ability to pay the dealers for products that have already been sold to them and used by them. An increase in bad debts or in defaults by our customer and dealers may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows.

**12. *Increasing use of alternative pest management and crop protection measures such as bio technology products, pest resistant seeds or genetically modified crops may reduce demand for our products and adversely affect our business and results of operations.***

Alternative pest management and crop protection measures, such as, organic farming, bio technology products, pest resistant seeds or genetically modified crops may reduce the demand of our agro-chemicals products. The growth and acceptance of such alternative pest management and crop protection products and measures by consumers may have an adverse effect on the sales of chemical pesticides which may, in turn, affect the financial condition and results of operations of our Company. Zero budget natural farming is another such alternative to crop protecting chemicals which is a farming methodology that involves no use of chemical fertilizers. The concept was referred to in the Union Budget for Fiscal 2019 of the Government of India. Implementation of the said program may impact the sale of our agrochemical formulations, thereby causing a decline in the business operations and revenue of our Company. Further, genetically modified crops are crops whose DNA has been altered to provide them with certain desirable characteristics. The characteristics are usually targeted at higher yields, lower sensitivity to weather conditions, and resistance to common pests. In particular, significant research is being carried out to develop and commercialize seed traits that carry resistance to many of the pests, such as insects and fungi, for which farmers currently use crop protection products. Successful commercialisation of such traits may result in lower demand for certain of our products.

Conversely, there have been instances of species of weeds and insects evolving to have resistance to crop protection products designed to control or eradicate them. Such resistance may result in reduced demand for the affected product, which may not be offset by increased sales of alternative products. If we fail to adapt our product range to respond to such developments, demand for our products or their price may decline and adversely affect our business and results of operations.

**13. Our lenders have imposed certain restrictive conditions on us under our financing arrangements. This may limit our ability to pursue our business and limit our flexibility in planning for, or reacting to, changes in our business or industry.**

As of September 30, 2022, our total outstanding borrowings on a consolidated basis (including non-fund based facilities availed by our Company) was ₹ 656.09 million. For further details, please see “*Financial Indebtedness*” on page 274. Our indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flow will be used towards repayment of our existing debt, which will reduce the availability of cash to fund working capital needs, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future or renegotiate or refinance our existing indebtedness on terms favorable to us may be limited
- our ability to obtain additional financing in the future at reasonable terms may be restricted;
- fluctuations in market interest rates may affect the cost of our borrowings, as some of our loans are at variable interest rates; and
- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions.

Our financing agreements governing our borrowings include conditions and restrictive covenants that require us to obtain consents, no-objections or waivers from lenders prior to carrying out specified activities or entering into certain transactions. Such restrictive covenants, among other things, require our Company to obtain the approval of the relevant lender for *inter alia* change in capital structure, ownership, management, control or beneficial ownership, effecting any scheme of amalgamation or reconstitution, alteration to the constitutional documents of the Company, restructuring or changing the management, changing our shareholding pattern. While we have obtained necessary consents from our lenders as required under our loan/financing documentation, for undertaking the Offer and related actions, we cannot assure you that we will be able to obtain such approvals in the future to undertake such activities as and when required or to comply with such covenants or other covenants in the future.

Further, these debt obligations are typically secured by a combination of security interests. We are required to create charge over our present and future current assets and certain of our movable and immovable fixed assets and furnish guarantees from certain members of our Promoters and Promoter Group. The security allows our lenders to inter-alia sell the relevant assets in the event of our default. Further, our financing agreements also stipulate inter alia financial covenants required to be maintained by us during the duration of the facilities. There can be no assurance that our

lenders will not enforce the event of default clauses forming part of our borrowing arrangements and recall the loans and/or facilities advanced to us in the future. Further, a majority of our outstanding indebtedness have floating rates of interest. Any fluctuations in the interest rates may directly impact the interest costs of such loans and could adversely affect our financial condition.

Any failure to service our indebtedness, perform any condition or covenant or comply with the restrictive covenants could lead to a termination of one or more of our credit facilities, default, acceleration of amounts due under such facilities and cross-defaults under certain of our other financing agreements, any of which may adversely affect our ability to conduct our business and have a material adverse effect on our financial condition and results of operations.

**14. *An adverse change in the regulations governing our business or the development of our products and their usage by our customers, including the development of licensing requirements and technical standards and specifications or the imposition of onerous requirements, may have an adverse impact on our operations.***

Regulations and policies implemented by the Government of India as well as the countries to which we export our products can affect the demand for, expenses related to and availability of our products. In particular, since a portion of our revenues are derived from exports, any amendments to the export-import policies of the Government may potentially impact the business of our Company. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. Any changes in government regulations and policies, such as the withdrawal of or changes in tax benefits, incentives and subsidies levied by India or other countries, could adversely affect our business and results of operations. Protectionist measures, including countervailing duties and tariffs and government subsidization adopted or currently contemplated by governments in some of our export markets could adversely affect our sales.

Further, regulatory requirements with respect to our products and the products of our customers are subject to change. The Government of India has from time to time determined that the use of certain pesticides will likely involve risk to human beings and animals and have prohibited or restricted the manufacture, import, formulation, transportation, sale and/or use of such pesticides in India. For instance, in 2018, the Department of Agriculture, Co-operation and Farmers Welfare, Ministry of Agriculture and Farmers Welfare, Government of India (“**Ministry of Agriculture**”), pursuant to a notification dated August 8, 2018 had imposed a ban on 18 pesticides in India for manufacture, import, formulate, transport, sell, use. Further, in May 2020, the Ministry of Agriculture has further issued a notification proposing to ban 27 insecticides in India for the import, manufacture, sale, transport, distribution and usage citing that several countries had already imposed a ban on these insecticides.

Further, the Pesticide Management Bill, 2020, which is proposed as the successor to the Insecticides Act contains provisions for registration of pesticides and the evaluation criteria for such registration, regulation of advertisements by manufacturers and compensation for loss due to use of low quality pesticides, amongst other provisions. For details regarding certain key regulations applicable to our business in India, see “*Key Regulations and Policies*” on page 178.

Further, we may be required to alter our manufacturing and/or distribution process, change our product portfolio and target markets and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us and our customers. We cannot assure you that we will be able to comply with the regulatory requirements. If we fail to comply with new statutory or regulatory requirements, there could be a delay in the submission or grant of approval for manufacturing and marketing new products or we may be required to withdraw existing products from the market.

Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products and/or we may be deemed to be in breach of our arrangements with our customers. Consequently, there is an inherent risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other restrictions/ban imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products, which may adversely impact our business, results of operations and financial condition.

**15. *The average cost of acquisition of Equity Shares by the Selling Shareholders could be lower than the floor price.***

The Selling Shareholder's average cost of acquisition of Equity Shares in our Company may be lower than the Floor Price of the Price Band as may be decided by the Company and the Selling Shareholders in consultation with the BRLMs. For further details regarding average cost of acquisition of Equity Shares by the Selling Shareholders in our Company, please refer to the "Cover Page" and chapter titled "Summary of the Offer Document" on page 22.

**16. We derive almost all of our revenues from the sale of Formulations in the agro-chemicals industry and any reduction in the demand for such products or the agro-chemicals industry could have an adverse effect on our business, results of operations and financial condition.**

We derive all of our revenues from the sale of Formulations and our products have applications in the agro-chemicals industry.

As a result, factors affecting the agro-chemicals industry or our customers, such as, (i) seasonality of demand for our customers' products, which may cause our manufacturing capacities to be under utilised during specific periods; (ii) our customers' failure to successfully market their products or to compete effectively; (iii) loss of market share, which may lead our customers to reduce or discontinue the purchase of our products; and (iv) economic conditions of the markets in which our customers operate, could have an adverse effect on our business and sales to our customers would decline substantially. Accordingly, any significant downturn in the agro-chemical industry could have a significant impact on our financial condition and our growth prospects. Further, our revenue from the sale of such products may also decline as a result of increased competition, regulatory action, patent litigation, pricing pressures or fluctuations in the demand for or supply of such products, which may adversely affect our business, results of operations and financial condition.

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

There are outstanding legal proceedings against our Company, Promoters and Directors, which are pending at various levels of adjudication before various courts, tribunals and other authorities. The summary of outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation (as defined in the section "Outstanding Litigation and Material Developments" on page 308) involving our Company, Directors, employees (in their capacity as employees of our Company) and Promoters.

Name of Entity	Criminal Proceeding	Tax Proceeding	Statutory or Regulatory Proceeding	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigation	Aggregate Amount Involved (₹ in million)*
<b>Company</b>						
By our Company	31	-	-	-	2	39.58
Against our Company	1	-	1	-	2	69.79
<b>Directors (Other than Promoters)</b>						
By our Directors	-	-	-	-	-	-
Against the Directors	-	-	-	-	-	-
<b>Promoters</b>						
By our Promoters	-	-	-	-	-	-
Against our Promoters	-	-	-	-	1	69.78

\*To the extent quantifiable

Further, except for an amount of ₹ 20.20 million pertaining to claims against our Company not-acknowledged as debt for infringement of patent, our Company did not have any contingent liabilities as on July 31, 2022. Out of total

contingent liabilities as of July 31, 2022 was ₹ 20.20 million, which as a percentage of our net worth was 2%. For further details of the contingent liabilities, please see “*Restated Financial Information – Contingent Liabilities*” on page 258.

There can be no assurance that these legal proceedings will be decided in our favor or in favor of our Company and Directors. In addition, we cannot assure you that no additional liability will arise out of these proceedings that could divert our management’s time and attention and consume financial resources. Any adverse order or direction in these cases by the concerned authorities even though not quantifiable, may have an adverse effect on our business, results of operations and financial condition. For further details, please refer to “*Outstanding Litigation and Material Developments*” on page 308.

**18. *We intend to utilize a portion of the Net Proceeds to set up a manufacturing facility for technical products. We are yet to place orders for plant and machinery for the proposed manufacturing facility. Any delay in undertaking such and not adhering to the schedule of implementation could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

We intend to utilize a portion of our Net Proceeds to set up a manufacturing facility of technical products at Saykha Bharuch, Gujarat. The total estimated funds required for funding capital expenditure towards setting up of the Proposed Facility are approximately ₹1,728.00 million, as per Techno Economic Viability Study report dated September 2021 issued by Resurgent India Limited. The capital expenditure towards setting up of the Proposed Facility of ₹1,049.69 million will be met from the Net Proceeds and the balancing amount will be funded through new loan facility to be availed from the banks. We have placed orders for purchase of the machinery / equipment worth ₹ 394.96 million, as provided above, have been placed as on the date of this Red Herring Prospectus. Our Company depending on various factors, will finalise the suppliers for the proposed object which may not be the same from whom the quotation was obtained. While we have obtained the quotations from various vendors in relation to the plant, machinery and equipment, most of these quotations are valid for a certain period of time and may be subject to revisions. We cannot assure that we will be able to procure plant, machinery and equipment within the cost indicated by such quotations and set up a manufacturing facility as per our schedule of implementation. For details, see “*Objects of the Offer*” at page 98.

**19. *We face competition from both domestic as well as multinational corporations and our inability to compete effectively could result in the loss of customers, which could have an adverse effect on our business, results of operations, financial condition and future prospects.***

We face competition from both domestic and multinational corporations. Our failure to obtain new customers or to retain or increase our existing market share or effectively compete could adversely affect our business, financial condition and results of operations. Competition in our business is based on pricing, relationships with customers, product quality and customization. We are exposed to the risk of losing market share to cheaper imports from other countries, which could adversely affect our business, financial condition and results of operations. We also face pricing pressures from multinational companies that are able to produce chemicals at competitive costs and consequently, supply their products at cheaper prices. We are unable to assure you that we shall be able to meet the pricing pressures imposed by such multinational competitors which would adversely affect our profitability.

Additionally, some of our competitors in the agro-chemicals segment may have greater financial resources, technology, R&D capability, greater market penetration and operations in diversified geographies and product portfolios, which may allow our competitors to better respond to market trends. Accordingly, we may not be able to compete effectively with our competitors across our product portfolio, which may have an adverse impact on our business, financial condition, results of operations and future prospects. We may also incur significant expense in preparing to meet anticipated customer requirements that we may not be able to recover or pass on to our customers. Increased competition may force us to improve our process, technical, product and service capabilities and/or lower our prices or result in loss of customers, which may adversely affect our profitability and market share, in turn, affecting our business, financial condition, results of operations and future prospects. There is no assurance that we will remain competitive with respect to technology, design, quality or cost.



**20. *We may be subject to significant risks and hazards when operating and maintaining our manufacturing facility, including the manufacture, usage and storage of various flammable, corrosive or hazardous substances, for which our insurance coverage might not be adequate.***

Certain of the raw materials that we use as well as our finished goods are corrosive and flammable and require specialized handling and storage, failing which we may be exposed to fires or other industrial accidents. While our Company believes that it has necessary controls, processes and insurance in place, any failure of such systems, mishandling of hazardous chemicals or any adverse incident related to the use of these chemicals or otherwise during the manufacturing process or storage of products and certain raw materials, may cause industrial accidents, fire, loss of human life, damage to our and third-party property and, or, environmental damage for which our insurance coverage may not be adequate. If any industrial accident, loss of human life or environmental damage were to occur, we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. In addition to adversely affecting our reputation, any such accidents, may result in a loss of property of our Company and/or disruption in our manufacturing operations entirely, which may have a material adverse effect on our results of operations and financial condition.

In addition to natural risks such as earthquake, flood, lightning, cyclones and wind, other hazards, such as fire, structural collapse and machinery failure are inherent risks in our operations. These and other hazards can cause significant personal injury or loss of life, severe damage to and destruction of property, plant and equipment and contamination of, or damage to, the environment and may result in the suspension of operations.

**21. *Our manufacturing facility is concentrated in a single region and the inability to operate and grow our business in this particular region may have an adverse effect on our business, financial condition, results of operations, cash flows and future business prospects.***

Our manufacturing facility is located at Kerala GIDC Estate, Ahmedabad, Gujarat, India. Consequently, any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the state government or local governments in this region could adversely affect, amongst others, manufacturing operations and transport operations, and require a modification of our business strategy, or require us to incur significant capital expenditure or suspend our operations. Any such adverse development affecting continuing operations at our manufacturing facility could result in significant loss due to an inability to meet customer contracts and production schedules, which could materially affect our business reputation within the industry. The occurrence of, or our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

**22. *Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an adverse effect on our business, results of operations and financial condition.***

We have experienced stable growth over the past three years. Our revenue from operations has grown at a CAGR of 41.02% from ₹ 1,982.22 million in Fiscal 2020 to ₹ 3,942.08 million in Fiscal 2022 and our Profit after tax has grown at a CAGR of 63.30% from ₹ 107.59 million in Fiscal 2020 to ₹ 286.90 million in Fiscal 2022. However, there can be no assurance that our growth strategy will be successful or that we will be able to continue to expand further, or at the same rate.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth depends on our ability to, amongst other factors, focus on R&D and process innovation to expand our product portfolio, grow customer base and revenue share with existing customers, focus on cost optimization, capitalize on industry opportunities, grow our portfolio of Formulations products, and expand our business and geographical footprint through inorganic growth. For further information, see “*Our Business – Key Strategies*” on page 158 Our ability to achieve growth will be subject to a range of factors, including our ability to identify trends and demands in the industry; compete with existing companies in our markets; consistently exercise effective quality control; recognition of our brand in the new regions; hire and train qualified personnel; and ability to transport our finished products efficiently. Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategies. Our future growth also depends on expanding our sales and distribution network to enter new markets, and recognition of our existing and recently introduced brands. We may face increased

risks when we enter new markets in India and internationally, and may find it more difficult to hire, train and retain qualified employees in new regions.

In addition, we may have difficulty in finding reliable suppliers with adequate supplies of raw materials meeting our quality standards and dealers/ distributors with efficient distribution networks. As a result, the products we introduce in new markets may be more expensive to produce and/ or distribute and may take longer to reach expected sales and profit levels than in our existing sales and profit levels, which could affect the viability of these operations or our overall profitability.

Our expansion plans and business growth could strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to expand, train, motivate and manage our workforce. There can be no assurance that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. Our inability to manage our business and implement our growth strategy could have a material adverse effect on our business, financial condition and profitability.

***23. We are dependent upon the experience and skill of our management team and a number of key managerial personnel. If we are unable to attract or retain such qualified personnel, this could adversely affect our business, results of operations and financial condition.***

We are dependent on a highly qualified, experienced and capable management team for setting our strategic business direction and managing our business. Our Chairman, and our Directors and several of our key managerial personnel have extensive experience in the agro-chemicals sector. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Without a sufficient number of skilled employees, our operations and manufacturing quality could suffer. Our experienced sales team has also developed a number of dealer relationships that would be difficult to replace.

Competition for qualified technical personnel and operators as well as sales personnel with established dealer relationships is intense, both in retaining our existing employees and when replacing or finding additional suitable employees. Competition among agro-chemical companies for qualified employees, particularly R&D personnel, is intense and the ability to retain and attract qualified individuals is critical to our success. As of September 30, 2022, we had 314 permanent employees. Although the weighted average attrition rate of our employees (based on age demographics) was 43.16% and 26.67%, respectively, in Fiscal 2022 and the six months ended September 30, 2022, respectively, we cannot guarantee that we will be able to recruit and retain qualified and capable employees. Except for Vishal Domadia who resigned from the post of Whole time Director on October 22, 2021 due to preoccupation as Chief Financial Officer of the Company and Priyanka Choubey who has resigned from the post of Company Secretary of the Company due to personal reasons, we have not experienced any resignations among our KMPs in the past three financial years.

The loss of the services of our key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. Further, if we cannot hire additional qualified personnel or retain them, our ability to expand our business may be impacted. As we intend to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management, R&D and sales personnel. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting suitable employees.

***24. We are dependent on third party transportation and logistics providers. Any disruptions in logistics and transportation or significant increase in freight charges could adversely affect our business, financial condition and results of operations.***

Our success depends on the timely supply and transport of the various raw materials required for our manufacturing facility and of our finished products from our manufacturing facility to our customers, depots and dealers, which are subject to various uncertainties and risks. Further, we have not entered into any agreements with transportation and logistics providers and hence we do not have negotiation powers for price or availability of services. Any shortage /

non availability of transport suppliers in our vicinity will led to delay delivery of our products. We use third party transportation providers for the supply of our raw materials and delivery of our products to domestic customers and depots. We are also dependent on such third party freight and transportation providers for the delivery of our products to customers outside India. Transportation strikes, if any, could have an adverse effect on supplies and deliveries to and from our dealers, customers and suppliers. In addition, raw materials and finished products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. Any unforeseen delays in transit time would result in failure to meet our shipment deadlines, which may result in an increase in supply chain costs, such as storage and warehousing.

Any delay in delivery of raw materials and products could result in the customers and dealers refusing to accept our products, which could adversely affect our business and results of operations.

In addition, any compensation received from insurers or third-party transportation providers may be Insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected dealers. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third-party transportation providers. Our freight and handling charges were ₹26.44 million, ₹42.06 million ₹ 54.96 million and ₹ 18.35 million, respectively, in Fiscals 2020, 2021 and 2022, and the four months ended July 31, 2022, respectively, and represented 1.33%, 1.39%, 1.39% and 0.83%, respectively, of our revenue from operations in such periods. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

Transportation strikes may have an adverse effect on supplies and deliveries to and from our customers and suppliers. In addition, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. Failures to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations. Any recompense received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and may damage our relationships with our affected customers. In case our transportation and logistics service providers are unable to perform their services, we cannot assure you that we will be able to deploy suitable alternative transportation services at favourable rates in a timely manner. Further, any increase in fuel costs could have a corresponding impact on freight charges which we may not be able to pass on to our customers. Any significant increase in our freight costs which we are unable to pass on to our customers may adversely affect our business and results of operations.

**25. *Our failure to keep our technical knowledge confidential could erode our competitive advantage. Further, failure to maintain confidential information of our customers, any frauds, theft or embezzlement by our employees, suppliers, contractors or dealers could adversely affect our results of operations and, or, damage our reputation.***

We possess extensive technical knowledge about our products. Our technical knowledge is a significant independent asset, which may not be adequately protected by intellectual property rights such as patent registration. As a result, we cannot be certain that our technical knowledge will remain confidential in the long-run. Certain technical knowledge may be leaked, either inadvertently or wilfully, at various stages of the manufacturing process. A significant number of our employees have access to confidential processes, product and customer information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. Although we seek to enforce non-disclosure clauses in our employee agreements/ appointment letters, we cannot guarantee that we will be able to successfully enforce such agreements.

Our operations may be subject to incidents of theft. We may also encounter some inventory loss on account of employee/ contractor/ dealer/ vendor fraud, theft, or embezzlement. Although we have set up various security measures in our manufacturing facilities such as deployment of security guards and operational processes such as periodic stock taking, there can be no assurance that we will not experience any fraud, theft, employee negligence, loss in transit or similar incidents in the future, which could adversely affect our reputation, results of operations, financial condition, and cash flows.

In the event that the confidential technical information in respect of our products or business becomes available to third parties or to the public, any competitive advantage we may have over other companies could be harmed. If a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

**26. *Our inability to expand or effectively manage our distribution network may have an adverse effect on our business, results of operations and financial condition.***

We have established an extensive distribution network that comprised over 4,362 dealers, as of September 30, 2022. Our ability to expand and grow our product reach significantly depends on the reach and effective management of our distribution network. We continuously seek to increase the penetration of our products by appointing new dealers targeted at different customer groups and geographies. We cannot assure you that we will be able to successfully identify or appoint new dealers or effectively manage our existing dealers network. If the terms offered to such dealers by our competitors are more favourable than those offered by us, dealers may decline to distribute our products and terminate their arrangements with us. We may be unable to appoint replacement dealers in a timely fashion, or at all, which may reduce our sales volumes and adversely affect our results of operations.

Further, our competitors may have access to a wider base of farmers than us, or have exclusive arrangements with certain dealers who may be unable to stock and distribute our products, which may limit our ability to expand our distribution network. We typically do not have exclusive arrangements with our dealers and while we offer them certain incentive schemes to sell our products, we may not be able to effectively implement them across our distribution network. Similarly, our competitors may adopt innovative distribution models, which could be more effective than traditional distribution models resulting in a reduction in the sales of our products.

We may also face disruptions in the delivery of our products for various reasons beyond our control, including poor handling by dealers of our products, transportation bottlenecks, natural disasters and labour issues, which could lead to delayed or lost deliveries. In addition, failure to provide dealers with sufficient inventories of our products may result in a reduction in the sales of our products. If our dealers fail to distribute our products in a timely manner, or adhere to the terms of the dealers agreement, or if our dealers agreements are terminated, our business and results of operations may be adversely affected.

**27. *Any change in Government policies towards the agriculture sector or a reduction in subsidies and incentives provided to farmers could adversely affect our business and results of operations.***

We expect that state and central government policies will continue to affect the income available to farmers to purchase crop protection products. Consequently, any changes in Government policies relating to the agriculture sector such as the reduction of government expenditure towards agriculture, the withdrawal of or changes in incentives and subsidies provided to farmers, export restrictions on crops, adverse changes in commodity prices or minimum support prices could affect the ability of farmers to spend on crop protection products, which in turn could adversely affect our business and results of operations.

India, undertook state wide protests and demonstrations against the implementation of The Essential Commodities (Amendment) Act, 2020, The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020, and The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020, which disrupted production in the agricultural sector, and consequently impacted our supplies. Subsequently, the Supreme Court of India has by way of its order dated January 12, 2020 stayed the implementation of these legislations.

We cannot assure you that the implementation of these legislations or any other similar laws, regulations or policies, may not have an adverse impact on our business, financial condition and results of operations in the future.

**28. *The value of our brands may be diluted if there is a change in the brand name for a product it is known for with the farmers, quality concern, negative publicity which could adversely affect our business, financial condition and results of operations.***

Our brands are among our important assets, some of which have been established for many years. We believe our brands serve in attracting customers to our products over those of our competitors. Our products are marketed throughout India through our brands, many of which are well known to farmers. Our business is dependent on the trust of farmers that they have in the quality of our products as well as on our ability to protect our brand value. We believe that continuing to develop awareness of our brands, through focused and consistent branding and marketing initiatives, among brand customers and farmers, is important for our ability to increase our sales volumes and our revenues, grow our existing market share and expand into new markets.

We also believe most of our brands, including our key branded formulations like Nliaayan, Padgham, Spandiko, Sajaag and Yommex command a strong brand recall in India due to our long presence in the Indian market. Decrease in product quality due to reasons beyond our control or allegations of product defects, even when false or unfounded, could tarnish the image of our brands and may cause farmers to choose other products. Our reputation and brands could also be affected by socially motivated groups, which could lead to a decline in our sales volume. In addition, the considerable expansion in the use of social media over recent years has compounded the impact of negative publicity. As a result, any adverse publicity involving our brands, our products or us may impair our reputation, dilute the impact of our branding and marketing initiatives and adversely affect our business and our prospects.

**29. *Any reduction in the demand for our products could lead to underutilization of our manufacturing capacity. We may also face surplus production of a particular product due to various reasons including inaccurate forecasting of customer requirements, which could adversely affect our business, results of operations, financial condition and cash flows.***

We face the risk that our customers might not place any order or might place orders of lesser than expected size or may even cancel existing orders or make change in their policies which may result in reduced quantities being manufactured by us. Cancellations, reductions or instructions to delay production (thereby delaying delivery of products manufactured by us) by customers could adversely affect our results of operations by reducing our sales volume leading to a reduced utilization of our existing manufacturing capacity.

Further, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. The changes in demand for their products (which are in turn manufactured by us) could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and lead to over production and utilization of our manufacturing capacity for a particular product. The requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our manufacturing processes thereby affecting our production schedules. This may lead to over production of certain products and under production of some other products resulting in a complete mismatch of capacity and capacity utilization. Any such mismatch leading to over or under utilization of our manufacturing facilities could adversely affect our business, results of operations, financial condition and cash flows.

**30. *We are subject to risks associated with rejection of supplied products, and consequential claims and associated product liability costs due to defects in our products, which could generate adverse publicity or adversely affect our business, results of operations or financial condition.***

Our business inherently exposes us to potential product liability claims, and the severity and timing of such claims are unpredictable. We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. While our products are extensively tested before being commercialized, there is no certainty of their long-term effects on soil or water supplies and any adverse effects caused by such products could adversely affect our business and reputation. We may also be subject to claims resulting from manufacturing defects or negligence in storage or handling, which may lead to the deterioration of our products, or from defects arising from deterioration in our quality controls. Product liability claims, regardless of their merits or the ultimate success of the defense against them, are expensive. Even unsuccessful product liability claims would likely require us to incur substantial amounts on litigation, divert our management's time, adversely affect our goodwill and impair the marketability of our products.

A successful product liability claim that is excluded from coverage or exceeds our policy limits may require us to pay substantial sums and may adversely affect our financial position and results of operations. In addition, insurance coverage for product liability may become prohibitively expensive in the future. As a result, it is possible that, in the future, we may not be able to obtain the type and amount of coverage we desire at an acceptable price and self-insurance may become the sole commercially reasonable means available for managing the product liability risks of our business.

**31. *Shortage or non-availability of essential utilities such as electricity and water could affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.***

Our business operations are heavily dependent on continuous and supply of electricity and water which are critical to our manufacturing operations. While our power requirements are met through local state power grid through interstate open access and the solar power panels installed in our manufacturing facility, we cannot assure you that these will be sufficient and, or, that we will not face a shortage of electricity despite these arrangements. Further, any shortage or non-availability of water or electricity could result in temporary shut-down of a part, or all, of our operations at the location experiencing such shortage. Such shut-downs could, particularly if they are for prolonged periods, have an adverse effect on our business, results of operations and financial condition.

**32. *Resistance from farmers to crop protection chemicals and the inappropriate application of our products from farmers may adversely affect our business, financial condition and results of operations.***

Some crop protection chemical products, which may include some of our products, are facing increased resistance from certain activist groups because of concerns over their alleged effects on food safety and the environment. These groups attempt to influence and, in some cases, litigate against governmental regulatory bodies to restrict the use of crop protection chemical products in their jurisdictions. Further, there can be no assurance that such resistance would not continue to spread in the future and any future resistance could adversely affect our business, financial condition and results of operations.

Further, farmers are required to be educated with the latest information on crop management, such as the appropriate kind of pesticide, its dosage and quantity and the frequency of its application, in order to apply pesticides, including our products, appropriately and effectively. Although majority of our packaging contains information about the optimum dosage and usage method, lack of education and awareness among farmers may lead to an inappropriate application of our products, which could result in crop damage, and other serious consequences.

There can be no assurance that incidents involving inappropriate use of our products will not occur in the future, or that farmers will be adequately educated on the safe use of our products. Any inappropriate application of our products could result in a potential consumer dispute and adversely affect our brand image, prospects, business, financial condition and results of operations.

**33. *Changes in technology may render our current technologies obsolete or require us to incur substantial capital expenditure.***

Our industry rapidly changes due to technological advances and scientific discoveries. These changes result in the frequent introduction of new products and significant price competition. If our technologies become obsolete, and we are unable to effectively introduce new products or processes, our business and results of operations could be adversely affected. Although we strive to keep our technology, facility and machinery current with the latest international standards, the technologies, facilities and machinery we currently employ may become less competitive or even obsolete due to advancement in technology or changes in market demand, which may require us to incur substantial capital expenditure. The cost of implementing new technologies and upgrading our manufacturing facility could be significant. If our competitors introduce superior technology and we cannot make enhancements to ours to remain competitive, either because we do not have the resources to continually improve our technology by adequately investing in R&D or for any other reason, our competitive position, and in turn our business, results of operations and financial condition may be adversely affected.

**34. *Any adverse revision to our credit rating by rating agencies may adversely affect our ability to raise additional financing, interest rates and other commercial terms at which such funding is available.***

Our Company's bank loan facilities of amounting to ₹ 1,550.50 million are domestically rated by CRISIL Ratings Limited as CRISIL BBB-/ Positive (Outlook revised from 'Stable'; rating reaffirmed) as on February 09, 2022. We may experience a downgrade in our credit ratings in future. Any downgrade in our credit ratings by rating agencies, international or domestic, may increase our costs of accessing funds and adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such funding is available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures or other purposes and the trading price of the Equity Shares.

**35. *We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in delay or abandonment of our business plans and this may have an adverse effect on our growth and operations.***

We may require additional funds in connection with future business expansion and development initiatives. In addition to the net proceeds of this offering and our internal accruals, we may need other sources of funding to meet these requirements, which may include entering into new debt facilities with lending institutions. If we decide to raise additional funds through the issuance of debt, our interest obligations will increase, and we may be subject to additional covenants. Such financing could cause our debt to equity ratio to increase or require us to create additional charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in delay or abandonment of our business plans and this may have an adverse effect on our future growth and operations.

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

We intend to use the Net Proceeds for the purposes described under the "Objects of the Offer" on page 98. The Objects of the Offer comprise (a) funding capital expenditure towards setting up of a manufacturing facility at Saykha, Bharuch, Gujarat, (b) funding incremental working capital requirements of our Company, (c) Repayment and/or pre-payment, in full and/or part, of certain borrowings of our Company and (d) for general corporate purposes (the amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds). Except funding capital expenditure towards setting up of a manufacturing facility at Saykha, Bharuch, Gujarat which is based on Techno Economic Viability Study report dated September 2021 issued by Resurgent India Limited, our fund requirements and deployment of Net Proceeds are based on internal management estimates. Further our Objects of the Offer have not been appraised by any bank, financial institution or other independent agency. Our management will have broad discretion to revise our business plans, estimates and budgets from time to time. Consequently, our funding requirements and deployment of funds may change, which may result in rescheduling of the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular activity, subject to compliance with applicable law and the investment policies approved by our management. Further, pursuant to Section 27 of the Companies Act, 2013, any variation in the Objects of the Offer would require a special resolution of the shareholders and the promoter or controlling shareholders will be required to provide an exit opportunity to the shareholders who not agree to such proposal to vary the Objects of the Offer, in accordance with applicable law.

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

In addition, as the Offer includes an offer for sale of Equity Shares by the Selling Shareholders, the proceeds from the Offer for Sale will be remitted to the Selling Shareholders and our Company will not benefit from such proceeds.

**37. *Our historical installed capacities and capacity utilization of our facilities included in this Red Herring Prospectus need not be an indication of future production capacity and capacity utilization. Further, our existing capacities are under utilised.***

The historical installed capacities and capacity utilization of our facility included in this Red Herring Prospectus is based on various factors, including existing operational needs, availability of raw materials, potential plant utilization levels, downtime resulting from scheduled maintenance activities, demand of agrochemical formulations due seasonality or weather conditions, unscheduled breakdowns, as well as other factors affecting operational efficiencies. However, there can be no assurance that the entire capacity will be available to us at all times or that actual production levels and utilisation rates will bear resemblance or be in line with historical performance. Our future production levels may therefore vary significantly from the historical data.

Our capacity utilisation in the five months period ended August 31, 2022 was 37.95%, and it was 34.87%, 66.47% and 65.62% for financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, respectively. (*Source: Certificate dated September 23, 2022 by Devang Shah, Chartered Engineer*).

Therefore, undue reliance should therefore not be placed on our installed capacity or historical capacity utilization information for our existing facility included in this Red Herring Prospectus. For further information, see “*Our Business*” on page 154.

***38. The success of our business strategy depends on our ability to enhance our own brands and product portfolio. If we fail to maintain and enhance our brand and reputation, consumers' recognition of our brands, and trust in us, our business may be materially and adversely affected.***

Our brand and reputation are among our most important assets and we believe our brands serve in attracting consumers to our products in preference over those of our competitors. Enhancing our own brands, including various schemes, advertisement and digital marketing is a key component of our business strategy. Consumers in existing or new markets may be unfamiliar with our brand and products and we may need to build or increase brand awareness in the relevant markets by increasing investments in advertising and promotional activities than we originally planned. We face, and will continue to face, competition with established brands in the new markets we intend to enter. We have incurred, and may continue to incur in the future, significant expenditures for advertising and marketing campaigns in an effort to build brand awareness and achieve preference over competing products. We may not be successful in our efforts to expand our brand presence and we cannot guarantee that our advertising and marketing campaigns will result in customer or consumer acceptance of our brands. Our success in marketing our products also depend on our ability to adapt to a rapidly changing market environment. For four months period ended July 31, 2022, the Fiscals ended March 31, 2022, March 31, 2021 and March 31, 2020, we have incurred a marketing expenditure (including schemes, brokerage and commissions) of ₹ 17.03 million, ₹ 35.03 million, ₹ 45.62 million and ₹ 32.13 million, respectively representing 0.77%, 0.88%, 1.50% and 1.61% of our total revenue. Further, product defects, consumer complaints, or negative publicity or media reports involving us, or any of our products could harm our brand and reputation and may dilute the impact of our branding and marketing initiatives and adversely affect our business and prospects. The impact of our marketing initiatives may not be as effective as we anticipate. If we do not successfully maintain, extend and expand our reputation and brand image, then our brands, product sales, financial condition, future cash flows and results of operations could be materially and adversely affected.

***39. A portion of our revenues are denominated in foreign currencies. As a result, we are exposed to foreign currency exchange risks which may adversely impact our results of operations.***

We have exposure to foreign exchange related risks since a portion of our revenue from operations are in foreign currencies. In the last three Fiscals we have had customers across various countries such as Bangladesh, Uganda and Indonesia. For the four months ended July 31, 2022, and during Fiscal 2022, Fiscal 2021 and Fiscal 2020, our revenues from exports constituted to 3.71%, 9.85%, 11.90% and 14.90%, respectively, of our revenue from operations and foreign rate fluctuations constituted to ₹ (0.33) million, ₹ 11.02 million, ₹ 1.56 million and ₹ 5.70 million, respectively amounting to -0.01%, 0.28%, 0.05% and 0.29%, respectively of our revenue from operations. Further, our top 5 countries contributed approximately, 3.38%, 8.46%, 10.65% and 13.38%, respectively, of our revenues from operations. We may, suffer losses on account of foreign currency fluctuations in our exports, since we may be able to revise the prices, for foreign currency fluctuations, only on a periodic basis and may not be able to pass on all losses on account of foreign currency fluctuations to our consumers.



The exchange rate between the Indian Rupee and the USD and other foreign currencies has changed considerably in recent years and may fluctuate substantially in the future and the India Rupee has generally depreciated against the USD. Fluctuations in the exchange rate between the Indian Rupee and other currencies could have an adverse impact on our financial condition. Any appreciation or depreciation of the Indian Rupee against these currencies can impact our results of operations.

**40. Our inability to manage our inventory and foresee accurate demand for our products for a future period may adversely affect our reputation, business, results of operation and our financial performance.**

The estimations on demands of our products are typically based on our projections, inventory levels at our distribution networks, our understanding of the anticipation of consumption and spending by our consumers. If we overestimate demand for our products, we may face difficulty in storage of such products due to lower shelf life and complications with respect to storage of agrochemical formulations. Further, if we are unable to provide our products to our consumers due to any disruptions of our manufacturing facility or shortage of raw materials, we may incur the risk of customers choosing products from our competitors over our products. While we closely monitor our inventory requirements for our product, we may be exposed to various risks including the aforementioned risks. All of these factors could adversely affect our reputation, business, results of operation and our financial performance.

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

Our operations are subject to various risks including defects, malfunctions and failures of manufacturing equipment, fire, riots, strikes, explosions, loss-in-transit for our products, accidents and natural disasters. Our insurance may not be adequate to completely cover any or all of our risks and liabilities. While we believe that the insurance coverage which we maintain is in keeping with industry standards and would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Below are the details of insurance coverage for the respective periods:

Particulars	Four months ended July 31, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Property, plant and equipment Inc. Land	937.79	533.70	502.00	310.20
% of insurance coverage	135.98	91.30	124.77	128.55
Inventories	1,570.09	1,140.00	570.00	370.00
% of insurance coverage	193.66	181.30	130.81	134.00

We have not experienced any instances of uninsured losses for cash loss in transit or instances wherein the claims have exceeded the insurance coverage in respect of cash loss in transit for any of the four months ended July 31, 2022, Fiscal 2022, Fiscal 2021 or Fiscal 2020.

We apply for renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. Further, there is no assurance that the insurance premiums payable by us will be commercially viable or justifiable.

For further information on our insurance arrangements, see “*Our Business – Insurance*” on page 175.

**42. We have certain contingent liabilities which, if materialized, may adversely affect our financial condition.**

As at July 31, 2022, we had certain contingent liabilities, as set out in the table below.

Particulars	(₹ in million) As of July 31, 2022
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Claims against the Company non-acknowledged as debt for infringement of patent	20.20
Outstanding Bank Guarantee	-

If at any time we are compelled to pay all or a material proportion of these contingent liabilities, it would have a material and adverse effect on our business, financial condition, cash flows and results of operations. For further details, see “*Financial Information*” beginning on page 218.

**43. *An inability to procure the desired quality, quantity of our raw materials in a timely manner and at reasonable costs, or at all, may have a material adverse effect on our business, results of operations and financial condition.***

Our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials at acceptable prices. Our major raw materials include, *inter alia*, mancozeb technical, chloropyrifos technical, lambda cyhalothrin tech, thiamethoxam tech. cypermethrin technical. For further information, see “*Our Business –Raw Materials*” on page 172. The raw materials of our Company are bulk chemicals and accordingly, we depend on external suppliers for all these raw materials required for production and typically purchase raw materials on a purchase order basis and place such orders with them in advance on the basis of our anticipated requirements. As a result, the success of our business is significantly dependent on maintaining good relationships with our raw material suppliers. In Fiscals 2020, 2021 and 2022 and the four months ended July 31, 2022, the top 3 raw material suppliers (domestic) contributed ₹ 439.22 million, ₹ 688.28 million, ₹ 802.02 million and ₹ 557.93 million, respectively, aggregating to 28.04%, 28.62%, 25.01% and 28.55%, respectively, of the cost of material consumed in such periods. Absence of long-term supply contracts subject us to risks such as price volatility caused by various factors such as commodity market fluctuations, currency fluctuations, climatic and environmental conditions, production and transportation cost, changes in domestic as well as international government policies, and regulatory and trade sanctions. As a result, we continue to remain susceptible to the risks arising out of raw material price fluctuations, which could result in a decline in our operating margins.

If we cannot fully offset increases in raw material prices with increases in the prices for our products, we will experience lower margins, which will have a material adverse effect on our results of operations and financial condition. In the absence of such contracts we are also exposed to the risk of unavailability of certain raw materials in desired quantities and qualities, in a timely manner or at all. Further, we rely on historical trends and other indicators to purchase the required quantities of raw materials. We, therefore, run the risk of purchasing more raw materials than necessary, which could expose us to risks associated with prolonged storage of some of these materials, and materially affect our results of operations.

**44. *We appoint contract labor for carrying out certain of our operations and we may be held responsible for paying the wages of such workers if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our financial condition, results of operations and cash flows.***

In order to retain flexibility and control costs, in addition to our employees, we appoint independent contractors who in turn engage on-site contract labour for performance of certain of our operations in India. Although we do 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. As of September 30, 2022, we had engaged third-party labourers in connection with our operations. Any requirement to fund their wage requirements may have an adverse impact on our business, financial condition, results of operations and cash flows. 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 employees. Thus, an order from a regulatory body or court in this regard may have an adverse effect on our business, financial condition, results of operations and cash flows.

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

Our ability to pay dividends in the future will depend on our earnings, financial condition, future cash flows, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. 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 laws, including the Companies Act, 2013. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

**46. *Certain Promoters, Directors and Key Managerial Personnel are interested in the Company's performance in addition to their remuneration and reimbursement of expenses.***

Certain of our Promoters, Directors and Key Managerial Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses and such interests are to the extent of their shareholding in our Company as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares, profit-based commission and their rights to nominate directors on our Board pursuant to such shareholding, amongst others. Further, our Promoters and Promoter Group will, after the Offer, continue to hold a significant stake in our Company. We cannot assure you that our Promoters, Directors and our Key Managerial Personnel will exercise their rights to the benefit and best interest of our Company. As shareholders of our Company, our Promoters or Directors or Key Managerial Personnel may take or block actions with respect to our business which may conflict with the best interests of the Company or that of minority shareholders. For further information on the interest of our Promoters and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see "*Our Management*", "*Our Promoters and Promoter Group*" and "*Financial Statements*" on pages 189, 209 and 218, respectively.

**47. *We will not receive any proceeds from the Offer for Sale. The Selling Shareholder will receive the entire proceeds from the Offer for Sale.***

The Offer includes a Fresh Issue and an Offer for Sale of Equity Shares by the Selling Shareholder. While our Company will receive the entire proceeds from the Fresh Issue, the entire proceeds from the Offer for Sale will only be paid to the Selling Shareholder and we will not receive any such proceeds.

**48. *We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with our Shareholders.***

We have entered into various transactions with related parties. While we believe that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, results of operations and financial condition or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. The percentage of the aggregate value of such related party transactions to our revenue from operations in Fiscals 2020, 2021 and 2022, and the four-month ended July 31, 2022, was 11.11%, 0.71%, 2.02% and 0.41%, respectively.

We have availed unsecured loans from third parties including our Promoters and members of our Promoter Groups which may be recalled by the lenders at any time. As of September 30, 2022, such unsecured loans amounted to ₹ 81.84 million and our Company has paid interest of ₹ 9.59 million, ₹ 2.43 million, ₹ 4.81 million, and ₹ 2.11 million, to our Promoters and members of our Promoter Groups in Fiscals 2020, 2021 and 2022, and the four-month ended July 31, 2022 for such unsecured loans.

For details on our related party transactions, see "*Financial Statements – Restated Financial Statements – Note 36 – Disclosure of transactions with Related Parties, as required by Indian Accounting Standard (Ind AS) - 24 Related Party Disclosures*" on page 258.

Details of related party transactions entered into by us during seven months period ended on July 31, 2022 and Fiscals 2022, 2021 and 2020, are as follows:

<i>(₹ in million)</i>				
Particulars	As at July 31, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
<b>a. Key Managerial Person</b>				
<b>Remuneration Expenses:</b>				
Rameshbhai Ravajibhai Talavia	1.20	3.15	2.44	2.04
Jamanbhai Hansarajbhai Talavia	1.08	2.92	2.42	2.04
Vishal Domadia	0.87	2.26	1.60	1.36
Jagdishbhai Ravjibhai Savaliya	0.68	1.89	1.58	1.36
Priyanka Choubey	-	0.20	0.27	0.22
Malvika Bhadreshbhai Kapasi	0.13	0.19	-	-
<b>Interest Expenses:</b>				
Rameshbhai Ravajibhai Talavia	0.65	1.38	0.38	2.53
Jamanbhai Hansarajbhai Talavia	0.45	0.87	0.22	2.19
Vishal Domadia	0.18	0.58	0.73	2.03
Jagdishbhai Ravjibhai Savaliya	0.17	0.48	0.56	1.15
Manjulaben Rameshbhai Talavia	0.46	1.00	0.26	0.97
Muktaben Jamankumar Talavia	0.20	0.50	0.28	0.74
<b>Dividend Payments:</b>				
Rameshbhai Ravajibhai Talavia	-	0.60	-	-
Jamanbhai Hansarajbhai Talavia	-	0.55	-	-
Vishal Domadia	-	0.09	-	-
Jagdishbhai Ravjibhai Savaliya	-	0.03	-	-
Manjulaben Rameshbhai Talavia	-	0.18	-	-
Muktaben Jamankumar Talavia	-	0.17	-	-
Domadia Artiben	-	0.01	-	-
Illaben Jagdishbhai Savaliya	-	0.002	-	-
Prafullaben Shantilal Savaliya	-	0.02	-	-
<b>Sitting Fees:</b>				
Deepak Bachubhai Kanparia	0.01	0.03	0.01	-
Maheshkumar Balubhai Joshi	-	0.02	-	-
Bhaveshkumar Jayantibhai Ponkiya	0.01	0.01	-	-
Amisha Fenil Shah	0.01	0.01	-	-
<b>Loan Taken:</b>				
Rameshbhai Ravajibhai Talavia	0.58	18.44	2.50	15.55
Jamanbhai Hansarajbhai Talavia	0.60	13.22	2.10	10.61
Vishal Domadia	-	0.80	-	-
Jagdishbhai Ravjibhai Savaliya	0.40	-	-	-
Manjulaben Rameshbhai Talavia	-	13.55	1.20	3.00
Muktaben Jamankumar Talavia	-	3.70	1.89	4.50
<b>Loan Repaid:</b>				
Rameshbhai Ravajibhai Talavia	0.07	0.43	0.12	53.49
Jamanbhai Hansarajbhai Talavia	0.04	0.59	0.07	47.80
Vishal Domadia	0.02	2.18	0.55	24.22
Jagdishbhai Ravjibhai Savaliya	0.02	0.15	0.18	11.80
Manjulaben Rameshbhai Talavia	0.05	0.31	0.08	17.18
Muktaben Jamankumar Talavia	0.02	0.05	0.09	15.44
<b>Remuneration/ Reimbursement of expenses payable:</b>				
Rameshbhai Ravajibhai Talavia	0.28	0.17	0.09	0.02
Jamanbhai Hansarajbhai Talavia	0.35	0.20	0.10	0.01
Vishal Domadia	0.30	0.17	0.07	0.01

Particulars	As at July 31, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Jagdishbhai Ravjibhai Savaliya	0.18	0.13	0.07	0.01
Priyanka Choubey	-	-	0.02	-
Malvika Bhadreshbhai Kapasi	0.03	0.03	-	-
<b>Loan Outstanding:</b>				
Rameshbhai Ravajibhai Talavia	25.45	24.28	4.90	2.14
Jamanbhai Hansarajbhai Talavia	17.33	16.32	2.81	0.56
Vishal Domadia	6.99	6.83	7.63	7.45
Jagdishbhai Ravjibhai Savaliya	6.79	6.23	5.90	5.52
Manjulaben Rameshbhai Talavia	17.73	17.32	3.08	1.70
Muktaben Jamankumar Talavia	7.56	7.38	3.23	1.15
<b>b. Enterprise over which key management personnel / their relatives have significant influences</b>				
<b>Donation:</b>				
Dharmaj Foundation	0.12	3.35	1.71	-
<b>c. Entity having significant influence</b>				
<b>Investment</b>				
Khetipoint Private Limited	-	4.89	-	-

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

Our business requires significant amount of working capital primarily as a considerable amount of time passes between purchase raw materials and sale of our finished products and the subsequent collection process viz. our customers. As a result, we are required to maintain sufficient stock at all times in order to meet manufacturing requirements, thus increasing our storage and working capital requirements. For example, the total working capital as on March 31, 2022 was ₹ 587.45 million, as on March 31, 2021, was ₹394.82 million and as on March 31, 2020, was ₹261.22 million. Consequently, there could be situations where the total funds available may not be sufficient to fulfil our commitments, and hence we may need to incur additional indebtedness in the future or utilize internal accruals to satisfy our working capital needs. Our future success depends on our ability to continue to secure and successfully manage sufficient amounts of working capital. Further, our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner.

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

**50. After the completion of the Offer, our Promoters along with the Promoter Group will continue to collectively hold substantial shareholding in our Company.**

After the completion of the Offer, our Promoters along with the Promoter Group will continue to collectively hold substantial shareholding in our Company. Our Promoters will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. The interests of the Promoters as our controlling shareholder could conflict with our interests or the interests of its other shareholders. We cannot assure you that our Promoters will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business

**51. *Certain sections of this Red Herring Prospectus contain information from Company Commissioned CareEdge Report which has been exclusively commissioned and paid for by our Company and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.***

Certain sections of this Red Herring Prospectus include information based on, or derived from, the Company Commissioned CareEdge Report or extracts of the Company Commissioned CareEdge Report prepared by CARE Advisory Research and Training Limited. We exclusively commissioned and paid for this report for the purpose of confirming our understanding of the industry in connection with the Offer. All such information in this Red Herring Prospectus indicates the Company Commissioned CareEdge Report as its source. Accordingly, any information in this Red Herring Prospectus derived from, or based on, the Company Commissioned CareEdge Report should be read taking into consideration the foregoing.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Further, the Company Commissioned CareEdge Report is not a recommendation to invest / disinvest in any company covered in the Company Commissioned CareEdge Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information. In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this Red Herring Prospectus based on, or derived from, the Company Commissioned CareEdge Report.

**52. *Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA have been included in this Red Herring Prospectus. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.***

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA margin, net debt etc., have been included in this Red Herring Prospectus. These non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

**53. *We are yet to receive certain registrations in connection with the protection of our intellectual property rights relating to our products. Such failure to protect our intellectual property rights could adversely affect our competitive position, business, financial condition and profitability.***

We are heavily dependent on our intellectual property. We have currently applied for certain registrations in connection with the protection of our intellectual property relating to the trademarks of our products and logo. Our inability to obtain these registrations may adversely affect our competitive business position. If any of our unregistered trademarks are registered in favor of a third party, we may not be able to claim registered ownership of those trademarks and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against “passing off” by other entities. In addition, in certain jurisdictions, marketing authorizations in relation to our products may be held by certain third parties with whom we have not directly entered into agreements to protect our rights in relation to such marketing authorizations.

As on the date of this Red Herring Prospectus, our Company has certain pending trademark applications, details of which are disclosed in “*Government and Other Approvals – Intellectual Property related approvals*” on page 314. The registration of any intellectual property rights is a time-consuming process, and there can be no assurance that any such registration will be granted. In the absence of such registration, competitors or other companies may challenge the validity or scope of our intellectual property. Unless our patent is registered, our ability to use our intellectual property rights may be restricted, which could materially and adversely affect our brand image, goodwill and business. Until such time that we receive registered patents, we can only seek relief against “passing off” by other entities. Accordingly, we may be required to invest significant resources in developing a new brand. Furthermore, the intellectual property protection obtained by us may be inadequate, we may be unable to detect any unauthorized use and we may need to undertake expensive and time-consuming litigation to protect our intellectual property rights and this may have an adverse effect on our business prospects, results of operations and financial condition.

While we intend to defend against any threats to our intellectual property, we cannot assure you that our trademarks, trade secrets or other agreements will adequately protect our intellectual property. We cannot assure you that trademark rights issued to or licensed by us in the past or in the future will not be challenged or circumvented by competitors or that such trademarks will be found to be valid or sufficiently broad to protect our processes or to provide us with any competitive advantage. Any inability to protect our proprietary information or other intellectual property, could adversely affect our business.

**54. *All our operations are operated on industrial land allotted to us by Gujarat Industrial Development Corporation (“GIDC”) on a leasehold basis. Failure to comply with the conditions of use of such land could result in an adverse impact on our business and financial condition.***

We carry out our business, research and operations on industrial land allotted to us by GIDC on a leasehold basis at Plot No. 408 to 411, Kerala GIDC Estate, Off NH-8, At: Kerala, Taluka Bavla, Ahmedabad – 382 220, Gujarat, India, in terms of which we are required to comply with certain ongoing conditions. Further, we have also acquired a parcel of land from GIDC at Plot no. DP/ 154, Saykha Industrial Estate/ Area, survey no(s). 80/1/P, 81/P, Saykha, Vagra, Bharuch, Gujarat, India on leasehold basis for our proposed manufacturing facility. If we fail to meet any such conditions, we may be required to incur liability. Further, according to the various statutory rules governing GIDC functioning, GIDC also retains the power to cancel allotment of land in the event of breach of any rules of allotment. Cancellation of the land allotted to us at Kerala GIDC Estate, Ahmedabad, Gujarat or at Saykha, Bharuch, Gujarat due to, among other things, non-compliance of the conditions of the offer-allotment letter could have an impact on our financial condition, which could adversely impact our results of operations and financial condition.

**55. *Any violation of the Metrology Act and the Metrology Rules by us may lead to fines and penalties, or seizure and forfeiture of our products which could adversely affect our business.***

All of our packaged products are required to comply with the standards of weight, measurement and numbers prescribed under the Metrology Act and the Metrology Rules. For details, see “*Key Regulations and Policies*” on page 178. If we fail to comply with such standards, or fail to obtain a license from the respective controller as mandated under the Metrology Act, or fail to obtain the verification of weights and measures by the government approved test centers under the Metrology Act, fines and penalties may be imposed on us. For instance, we have currently not applied for the registration certificate issued under the Legal Metrology (Packaged Commodities) Rules, 2011, as amended. We cannot assure you that we will be able to obtain such registration in a timely manner or at all. For further information, see “*Government and Other Approvals*” on page 313. In addition, there could be seizure and forfeiture of our products, which could adversely affect our operations.

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

Our Company has experienced negative net cash flows from operating activities in the past, the details of which are provided below:

Particulars	(₹ in million)			
	Four months period ended July 31, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Net cash from operating activities	(23.25)	164.11	128.83	20.45
Net cash from investment activities	(116.37)	(238.65)	(177.31)	(146.47)
Net cash from financing activities	139.54	74.53	55.01	120.62
Net increase / (decrease) in cash and cash equivalent	(0.07)	(0.01)	6.54	(5.39)

For details on the negative cash flows for the last three Fiscals and four months period ended on July 31, 2022, please refer to the chapter titled “*Management Discussion and Analysis of Financial Condition and Result of Operations*” on page 277. We may incur negative cash flows in the future which may have a material adverse effect on our business, prospects, results of operations and financial condition.

**57. We have unsecured loans that may be recalled by the lenders at any time and we may not have adequate fund flows to make timely payments or at all.**

We have availed unsecured loans which may be recalled by the lenders at any time. As of September 30, 2022, such loans amounted to ₹ 81.84 million. In the event that any lender seeks a repayment of any such loan, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. We may not have adequate working capital to undertake new projects or complete the ongoing projects. As a result, any such demand may materially and adversely affect our cash flows and results of operations. For further details of unsecured loans, please see the section entitled “*Financial Statements*” on page 218.

**58. Our Promoters have provided personal guarantees for financing facilities availed by our Company and may in the future provide additional guarantees and any failure or default by our Company to repay such facilities in accordance with the terms and conditions of the financing agreements could trigger repayment obligations.**

We have obtained loans in the ordinary course of business for the purposes of working capital and other business requirements from our lenders. Our Promoters, Rameshbhai Ravajibhai Talavia, Jamankumar Hansarajbhai Talavia, Jagdishbhai Ravajibhai Savaliya and Vishal Domadia have provided personal guarantees to secure our existing borrowing and may post listing continue to provide such guarantees. For further details, please see “*History and Certain Corporate Matters- Guarantees given by Promoters offering its shares in the Offer for Sale*” on page 188. Our Promoters and Directors may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the guarantees may be invoked, which could negatively impact the reputation and net worth of our Promoters and Directors. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows.

## EXTERNAL RISK FACTORS

**59. Changing laws, rules and regulations and legal uncertainties, adverse application or interpretation 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. Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. For further details of the laws currently applicable to us, see “*Key Regulations and Policies*” on page 178. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further,



the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Accordingly, our business, results of operations and prospects may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, turnover tax, goods and services tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time.

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Act, 2019, a new tax legislation issued by India's Ministry of Finance on September 20, 2019, prescribes a number of changes to the income tax rate applicable to companies in India. According to this new legislation, companies can henceforth voluntarily opt for a concessional tax regime (subject to no other special benefits/exemptions being claimed), which reduces the rate of income tax payable to 22% subject to compliance with conditions prescribed, from the erstwhile 25% or 30% depending upon the total turnover or gross receipt in the relevant period. We have opted for the concessional tax regime and continue to be subject to other benefits and exemptions. Any such future amendments may affect our other benefits such as an exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

There can be no assurance that governments in countries where we operate will not implement new regulations and policies requiring us to obtain approvals and licenses or other regulatory bodies, or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment or change to governing laws, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent in the jurisdictions in which we operate may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. It may also have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which could materially harm our results of operations or cash flows.

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

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

In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the

perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.'

**61. *The occurrence of natural or man-made disasters or outbreak of global pandemics, such as the COVID- 19 pandemic, 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, infectious disease outbreaks such as the COVID-19 pandemic and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

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

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our business, cash flows and financial performance and the price of the Equity Shares.

India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of the Equity Shares.

Other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our development and expansions; volatility in, and actual or perceived trends in trading activity on India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India.

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

The Restated Financial Information have been prepared from the audited restated financial statements of our Company as at and for the four months period ended July 31, 2022 and as at and for the financial year ended March 31, 2022, March 31, 2021 and March 31, 2020 which are prepared in accordance with Indian Accounting Standards (IndAS) specified under Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principles generally accepted in India (referred to as “Ind AS”). Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our Restated Financial Information were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should be limited accordingly.

**64. Adverse geopolitical conditions such as increased tensions between India and China, could adversely affect our business, results of operations and financial condition.**

Adverse geopolitical conditions such as increased tensions between India and China resulting in any military conflict in the region could adversely affect our business and operations. Such events may lead to countries imposing restrictions on the import or export of products. We could also be affected by the introduction of import tariffs in India, or in the countries to which we export our products, or changes in trade agreements between countries

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

We are incorporated under the laws of India and all of our Directors and key management personnel reside in India. All of our assets are also located in India. Where investors wish to enforce foreign judgments in India, they may face difficulties in enforcing such judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. In order to be enforceable, a judgment obtained in a jurisdiction which India recognises as a reciprocating territory must meet certain requirements of the Civil Procedure Code, 1908 (the “CPC”).

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13, 14 and Section 44A of the CPC on a statutory basis. Section 44A of the CPC provides that where a certified copy of a decree of any superior court, within the meaning of that Section, obtained in any country or territory outside India which the government has by notification declared to be in a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the CPC is applicable only to monetary decrees and does not apply to decrees for amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment).

Among other jurisdictions, the United Kingdom, United Arab Emirates, Singapore and Hong Kong have been declared by the government to be reciprocating territories for the purposes of Section 44A of the CPC. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the CPC. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the CPC, and not by proceedings in execution. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable;

(iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

It cannot be assured that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to the execution of such foreign judgment.

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

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

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

Further, the Government 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.

**67. *The outbreak of COVID-19, or outbreak of any other similar severe communicable disease could have a potential impact on our business, financial condition, cash flows and results of operations.***

The outbreak, or threatened outbreak, of any severe communicable disease (particularly COVID-19) could adversely affect the 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 consumers, distributors, retailers and suppliers, which could adversely affect our business, financial condition, future cash flows and results of operations. The outbreak of COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines and lockdowns. These measures have impacted and may further impact our workforce and operations, the operations of our consumers, and those of our respective distributors, retailers, vendors and suppliers. While government-certified treatment and vaccines are available, there is currently medical uncertainty regarding COVID-19 and there is no assurance that the vaccination process shall be completed in India in a timely manner or that the vaccines shall be effective. Presently, certain countries have reinstated lockdown conditions due to a “third wave” of the COVID-19 outbreak and the discovery of new strains of the coronavirus such as Delta and Omicron variant, and the Central Government and State Governments may reinstate complete lockdown conditions or impose additional restrictions. In case there is a rapid increase in severe cases of infections leading to deaths, where the measures taken by governments are not successful or are any bans imposed by the government in this regard are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. 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 COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general. The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of COVID-19 will cause an economic slowdown and it is possible that it could cause a global recession. The spread of COVID-19 has caused us to modify our business practices, and we may take further actions as may be required by government authorities or steps on what we believe would be in the best interests of our employees, consumers 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.

**68. *We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.***

The Competition Act, 2002, of India, as amended (“**Competition Act**”), regulates practices having an appreciable adverse effect on competition in the relevant market in India (“**AAEC**”). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of consumers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the “**CCI**”).

Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India. The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. However, since we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects.

## **RISK FACTORS RELATED TO OUR EQUITY SHARES**

**69. *The Equity Shares have never been publicly traded and we cannot be certain that an active trading market for the Equity Shares will develop or be sustained after this offering, and, following the offering, the price of the Equity Shares may fluctuate significantly, which could cause you to suffer substantial losses.***

Prior to the Offer, 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 Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Accordingly, we cannot guarantee that an active trading market will develop or be sustained after the offering. Nor can we predict the prices at which the Equity Shares may trade after the offering. The Offer Price of our Equity Shares may not be indicative of the market price for the Equity Shares after the Offer.

If purchase the Equity Shares in our initial public offering, you may not be able to resell them at or above the initial public offering price. We cannot assure you that the initial public offering price of the Equity Shares, or the market price following our initial public offering, will equal or exceed prices in privately negotiated transactions of our Equity Shares that may have occurred from time to time prior to our initial public offering. The market price of the Equity Shares may decline or fluctuate significantly due to a number of factors, some of which may be beyond our control, including: developments with respect to the spread or worsening of the COVID-19 pandemic; the impact of COVID-19 on our business operations and our ability to be able to service clients, and the consequential impact on our operating results; actual or anticipated fluctuations in our operating results; announcements about our earnings that are not in line with analyst expectations; the public’s reaction to our press releases, other public announcements and filings with the regulator; significant liability claims or complaints from our clients; changes in senior management or

key personnel; macroeconomic conditions in India; fluctuations of exchange rates; the operating and stock price performance of comparable companies; changes in our shareholder base; changes in our dividend policy; issuances, exchanges or sales, or expected issuances, exchanges or sales; changes in accounting standards, policies, guidance, interpretations or principles; and changes in the regulatory and legal environment in which we operate; or market conditions in the construction and development industry and the domestic and worldwide economies as a whole, including in relation to the COVID-19 crisis.

Any of these factors may result in large and sudden changes in the volume and trading price of the Equity Shares. In the past, following periods of volatility in the market price of a company's securities, shareholders have often instituted securities class action litigation against that company. If we were involved in a class action suit, it could divert the attention of management, and, if adversely determined, have a material adverse effect on our business, results of operations and financial condition.

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

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior regulatory approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities.

In addition, pursuant to the Press Note 3 of 2020, dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the consolidated FDI policy circular of 2020 dated October 15, 2020, issued by DPIIT, and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the GoI. Furthermore, on April 22, 2020, the Ministry of Finance, GoI has also made similar amendment to the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 359.

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

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by the Promoter may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through

offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

We are not a publicly listed company and have not, historically, been subjected to the 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 Regulations which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Further, as a publicly listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, financial condition, results of operations, and cash flows. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

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

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

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

**74. *The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the Book Running Lead Manager is below their respective issue prices.***

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Manager. Furthermore, the Offer Price of the Equity Shares will be determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Manager through the Book Building Process. These will be based on numerous factors, including factors as described under “*Basis for Offer Price*” beginning on page 118 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the Book Running Lead Manager is below their respective issue price. For further details, see “*Other Regulatory and Statutory Disclosures—Price information of past issues handled by the BRLMs*” beginning on page 324. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure

you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

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

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited with the Equity Shares within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately six Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor.

**76. *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.***

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 operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

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

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

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. The Income Tax Act levies taxes on such long-term capital gains exceeding ₹ 100,000 arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such equity shares subject to specific conditions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of a securities transaction tax ("STT"), on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of Equity Shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India.



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

Further, the Government of India has announced the union budget for the Fiscal 2022, pursuant to which the Finance Bill, 2021 ("Finance Bill") has introduced various amendments. The Finance Bill has received assent from the President of India on March 28, 2021, and has been enacted as the Finance Act, 2021 ("Finance Act"). We have not fully determined the impact of these recent and proposed laws and regulations on our business. We cannot predict whether any amendments made pursuant to the Finance Act could have an adverse effect on our business, results of operations, cash flows, financial condition and prospects. Unfavourable 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.

## SECTION III – INTRODUCTION

### THE OFFER

The following table summarises the details of the Offer:

Offer of Equity Shares	Up to [●] Equity Shares, aggregating up to ₹[●] million
<i>of which:</i>	
Fresh Issue <sup>(1)</sup>	Up to [●] Equity Shares, aggregating up to ₹2,160.00 million
Offer for Sale <sup>(2)</sup>	Up to 1,483,000 Equity Shares, aggregating up to ₹[●] million
<i>of which:</i>	
Employee Reservation Portion <sup>(3)</sup>	Up to 55,000 Equity Shares, aggregating up to ₹[●] million
Net Offer	Up to [●] Equity Shares aggregating up to ₹[●] million
<i>of which:</i>	
<b>A) QIB Portion</b> <sup>(4)(5)</sup>	<b>Not more than [●] Equity Shares</b>
<i>of which:</i>	
(i) Anchor Investor Portion	Up to [●] Equity Shares
(ii) Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>of which:</i>	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion) <sup>(6)</sup>	Up to [●] Equity Shares
(b) Balance of QIB Portion for all QIBs including Mutual Funds	Up to [●] Equity Shares
<b>B) Non-Institutional Portion</b> <sup>(5)</sup>	<b>Not less than [●] Equity Shares</b>
<i>of which:</i>	
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size more than ₹ 0.20 million to ₹ 1.00 million	Up to [●] Equity Shares
Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 1.00 million	Up to [●] Equity Shares
<b>C) Retail Portion</b> <sup>(5)</sup>	<b>Not less than [●] Equity Shares</b>
<b>Pre and post Offer Equity Shares</b>	
Equity Shares outstanding prior to the Offer	24,683,372 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
<b>Utilisation of Net Proceeds</b>	See “ <i>Objects of the Offer</i> ” on page 98 for information about the use of proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale

*Notes:*

- (1) *The Offer has been authorised by our Board pursuant to resolution passed on November 18, 2021 and the Fresh Issue has been authorised by our Shareholders pursuant to a resolution passed on November 25, 2021.*
- (2) *Each of the Selling Shareholders has authorized the sale of its respective portion of the Offered Shares in the Offer for Sale. For details on the authorization of the Selling Shareholders in relation to the Offered Shares,*

*please see the section entitled “Other Regulatory and Statutory Disclosures” beginning on 316.*

*Each of the Selling Shareholders have specifically confirmed that their respective portion of the Offered Shares, have been held by each one of them for a period of at least one year prior to the filing of this Red Herring Prospectus, and are accordingly eligible for being offered for sale in the Offer as required by the SEBI ICDR Regulations.*

- (3) Our Company and the Selling Shareholders, in consultation with the BRLMs, may offer a discount of up to 5% (equivalent to ₹[●] per Equity Share) on the Offer Price to the Eligible Employees Bidding under the Employee Reservation Portion, respectively. The amount of Employee Discount will be advertised in all newspapers wherein the pre-Offer advertisement will be published. For further details, see “Offer Procedure” on page 339. Unless the Employee Reservation Portion is under-subscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹200,000 up to ₹500,000 (net of Employee Discount). Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Offer and be subject to compliance with Regulation 6(1) of the SEBI ICDR Regulations. In case of under-subscription in the Net Offer (other than in the QIB Category), spill over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion subject to compliance with Regulation 6(1) of the SEBI ICDR Regulations and Rule 19(2)(b) of the SCRR*
- (4) Our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation price in accordance with the SEBI ICDR Regulations. Post-allocation to Anchor Investors, the QIB Portion will be reduced by such number of Equity Shares. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the 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 shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, any unsubscribed portion in the Mutual Fund Portion will be added to the QIB Portion (excluding Anchor Investor Portion) and allocated proportionately to the QIB Bidders (other than the Anchor Investors) in proportion to their Bids. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. For further details, see “Offer Procedure” beginning on page 339.*
- (5) Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, as applicable, at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable law. In the event of an undersubscription in the Offer, Equity Shares offered pursuant to the Fresh Issue shall be allocated in the Fresh Issue, prior to the Offered Shares. However, after receipt of minimum subscription of 90% of the Fresh Issue, the Offered Shares, shall be allocated prior to the Equity Shares offered pursuant to the Fresh Issue. For further details, see “Offer Procedure” on page 339.*
- (6) Subject to valid Bids being received at, or above, the Offer Price. 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 Offer Price. The allocation to each Retail Individual Investor 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 “Offer Procedure” on page 339.*

*Further, for details in relation to the terms of the Offer, see “Terms of the Offer” on page 328. For details, including in relation to grounds for rejection of Bids, refer to “Offer Structure” and “Offer Procedure” on pages 334 and 339, respectively.*

## SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from and should be read in conjunction with our Restated Financial Information, as presented in the section titled “Financial Information” on page 218 and the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 277.

### RESTATED SUMMARY OF ASSETS AND LIABILITIES INFORMATION

Particulars	As at July 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
<i>(₹ in million)</i>				
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	384.96	389.34	386.72	216.93
Capital work in progress	283.25	176.52	11.40	23.17
Intangible asset	11.47	11.24	4.21	1.21
Intangible assets under development	9.98	7.48	-	-
Financial assets				
(i) Investments	4.89	4.89	-	-
(ii) Other Financial Assets	5.61	10.36	10.34	9.95
Deferred tax assets (net)	2.97	2.30	-	2.03
Other non-current assets	27.19	55.39	45.70	55.74
<b>TOTAL NON-CURRENT ASSETS</b>	<b>730.32</b>	<b>657.51</b>	<b>458.38</b>	<b>309.03</b>
<b>CURRENT ASSETS</b>				
Inventories	810.76	628.78	435.75	276.11
Financial assets				
(i) Investments	-	-	-	-
(ii) Trade receivables	1,455.30	859.82	361.82	333.29
(iii) Cash and cash equivalents	9.45	9.52	9.53	2.99
(iv) Loans	0.76	0.76	0.71	0.45
(v) Other financial assets	-	1.05	0.71	0.57
Other current assets	51.04	38.01	21.80	3.37
<b>TOTAL CURRENT ASSETS</b>	<b>2,327.31</b>	<b>1,537.95</b>	<b>830.33</b>	<b>616.80</b>
Assets held for sale	-	-	-	-
<b>TOTAL ASSETS</b>	<b>3,057.64</b>	<b>2,195.45</b>	<b>1,288.70</b>	<b>925.83</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital	246.83	246.83	164.56	164.56
Other equity	785.73	602.35	398.89	189.73
<b>TOTAL EQUITY</b>	<b>1,032.56</b>	<b>849.18</b>	<b>563.44</b>	<b>354.29</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Financial liabilities				
(i) Borrowings	364.52	253.16	152.45	51.23
Provisions	4.76	4.08	3.34	1.88
Deferred tax liabilities (net)	-	-	0.23	-
Other non-current liabilities	29.36	22.41	16.95	12.31
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>398.64</b>	<b>279.65</b>	<b>172.97</b>	<b>65.41</b>
<b>CURRENT LIABILITIES</b>				

<b>Particulars</b>	<b>As at July 31, 2022</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Financial liabilities				
(i) Borrowings	151.09	116.12	116.78	150.54
(ii) Trade payables				
- Total outstanding dues of micro and small enterprise	-	-	-	-
- Total outstanding dues of other than micro and small enterprise	1,410.74	913.70	391.27	332.04
(iii) Other financial liabilities	0.91	0.67	0.49	0.05
Other current liabilities	14.18	31.58	40.91	20.90
Provisions	0.36	0.20	0.12	0.01
Current tax liabilities (net)	49.16	4.35	2.72	2.59
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,626.44</b>	<b>1,066.62</b>	<b>552.29</b>	<b>506.13</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,057.64</b>	<b>2,195.45</b>	<b>1,288.70</b>	<b>925.83</b>

## RESTATED SUMMARY OF PROFIT AND LOSS INFORMATION

(₹ in million)

Particulars	For the four months period ended July 31, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
<b>INCOME</b>				
Revenue from Operations	2,209.40	3,942.08	3,024.10	1,982.22
Other Income	2.32	20.80	11.55	9.43
<b>Total Income</b>	<b>2,211.72</b>	<b>3,962.88</b>	<b>3,035.65</b>	<b>1,991.65</b>
<b>EXPENSES</b>				
Cost of material consumed	1,954.25	3,206.69	2,405.00	1,566.53
Purchase of stock-in-trade	-	5.53	9.08	3.34
Changes in inventories of finished goods, work-in progress and stock-in-trade	(173.75)	(126.11)	(84.98)	(56.42)
Manufacturing and operation costs	19.09	56.65	64.95	40.22
Employee benefit expenses	56.82	136.60	120.07	82.04
Finance costs	9.30	26.15	14.19	22.37
Depreciation and amortization	16.03	52.71	26.01	21.76
Other expenses	84.26	219.34	199.40	167.20
<b>Total Expenses</b>	<b>1,966.01</b>	<b>3,577.57</b>	<b>2,753.73</b>	<b>1,847.03</b>
<b>Profit / (Loss) Before Exceptional Items and Tax</b>	<b>245.71</b>	<b>385.31</b>	<b>281.93</b>	<b>144.62</b>
Exceptional items Income/ (Expenses)	-	-	-	-
<b>Profit/ (Loss) Before Tax</b>	<b>245.71</b>	<b>385.31</b>	<b>281.93</b>	<b>144.62</b>
<b>Tax Expenses</b>				
Current tax	62.72	101.09	69.95	37.78
Adjustment of Tax Relating to Earlier Years	-	0.01	(0.03)	0.00
Deferred tax liability/ (asset)	(0.60)	(2.69)	2.41	(0.75)
<b>Total tax expenses</b>	<b>62.12</b>	<b>98.41</b>	<b>72.32</b>	<b>37.03</b>
<b>Profit after tax for the period</b>	<b>183.59</b>	<b>286.90</b>	<b>209.60</b>	<b>107.59</b>
<b>Other Comprehensive Income</b>				
Items that will not be reclassified to Profit or Loss (Net of tax)	(0.21)	0.49	(0.45)	(0.25)
<b>Total Comprehensive Income/ (Loss) for the period</b>	<b>183.38</b>	<b>287.39</b>	<b>209.15</b>	<b>107.34</b>
<b>Earnings per equity share (FV ₹10/ share)</b>				
<b>Basic</b>	7.44	11.62	12.74	8.62
<b>Diluted</b>	7.44	11.62	12.74	8.62

## RESTATED SUMMARY OF CASH FLOWS INFORMATION

Particulars	(₹ in million)			
	For the four months period ended July 31, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before tax and extraordinary items	245.71	385.31	281.93	144.62
Adjustment for:				
Depreciation	16.03	52.71	26.01	21.76
(Profit)/ loss on sale of assets	-	(1.18)	(5.61)	-
Interest expenses	6.79	23.87	12.45	19.40
Bad debts	-	-	0.22	2.25
Loss on remeasurement of employee benefits	(0.29)	0.66	(0.60)	(0.33)
Sundry balances written back	-	-	-	-
	<b>22.53</b>	<b>76.06</b>	<b>32.47</b>	<b>43.07</b>
<b>Operating profit before working capital changes</b>	<b>268.24</b>	<b>461.37</b>	<b>314.40</b>	<b>187.69</b>
Trade and other receivables	(594.43)	(498.42)	(33.64)	(166.67)
Inventories	(181.98)	(193.03)	(159.64)	(123.61)
Trade payables and provision	497.88	523.25	60.80	204.09
Other non financial assets	15.16	(25.89)	(8.39)	(41.10)
Other financial liabilities	0.24	0.18	0.44	(0.49)
Other non-financial liabilities	(10.44)	(3.87)	24.66	(2.71)
	<b>(273.57)</b>	<b>(197.79)</b>	<b>(115.78)</b>	<b>(130.50)</b>
<b>CASH GENERATE FROM THE OPERATIONS</b>	<b>(5.33)</b>	<b>263.58</b>	<b>198.62</b>	<b>57.19</b>
Direct taxes paid	(17.92)	(99.47)	(69.78)	(36.74)
<b>Net Cash from Operating Activities</b>	<b>(23.25)</b>	<b>164.11</b>	<b>128.83</b>	<b>20.45</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Purchase of fixed assets	(121.12)	(236.52)	(191.53)	(146.47)
Proceeds from Govt. Grant	-	-	-	-
Sale of fixed assets	-	2.76	10.11	-
Movement in other bank balance fixed deposits	4.75	-	4.12	-
Investment in company	-	(4.89)	-	-
Interest received	-	-	-	-
<b>Net Cash from Investment Activities</b>	<b>(116.37)</b>	<b>(238.65)</b>	<b>(177.31)</b>	<b>(146.47)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Issue of shares	-	-	-	141.70
Dividend paid	-	(1.65)	-	-
Interest paid	(4.67)	(19.06)	(10.02)	(9.80)
Addition long term borrowings	125.84	144.38	152.18	60.16
Repayment of long term borrowings	(14.40)	(54.47)	(22.10)	(185.31)
Addition to short term liability	32.77	135.52	177.06	113.88
Repayment of short term borrowings	-	(130.20)	(242.10)	-

<b>Particulars</b>	<b>For the four months period ended July 31, 2022</b>	<b>Fiscal 2022</b>	<b>Fiscal 2021</b>	<b>Fiscal 2020</b>
<b>Net cash from Financing Activities</b>	<b>139.54</b>	<b>74.53</b>	<b>55.01</b>	<b>120.62</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(0.07)</b>	<b>(0.01)</b>	<b>6.54</b>	<b>(5.39)</b>
Opening balance	9.52	9.53	2.99	8.38
Closing balance	9.45	9.52	9.53	2.99
Net increase in cash and cash equivalents	(0.07)	(0.01)	6.54	(5.39)



## GENERAL INFORMATION

Our Company was incorporated on January 19, 2015, at Ahmedabad as a public limited company under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the RoC.

### Registered of our Company

Plot No. 408 to 411, Kerala GIDC Estate,  
Off NH-8, At: Kerala,  
Taluka Bavla, Ahmedabad - 382220,  
Gujarat, India.

### Corporate Office of our Company

Office No. 901 to 903 & 911,  
B-square 2, Iscon Ambli Road,  
Ahmedabad -380058,  
Gujarat, India.

For details in relation to change in the location of the registered office of our Company, see “*History and Certain Corporate Matters*” on page 185.

### Company registration number and corporate identity number

The registration number and corporate identity number of our Company are as follow:

**Company registration number:** 081941

**Corporate identity number:** U24100GJ2015PLC081941

### Address of the Registrar of Companies

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

#### Registrar of Companies

ROC Bhavan, Opp. Rupal Park Society,  
Behind Ankur Bus Stop, Naranpura,  
Ahmedabad – 380 013  
Gujarat, India

### Board of Directors

The following table sets out the brief details of our Board as on the date of this Red Herring Prospectus:

Name and designation on the Board	DIN	Address
Rameshbhai Ravajibhai Talavia <i>Chairman and Managing Director</i>	01619743	A-1002, Ratnam Panorama, South Bopal, Near Amramanjani Society, Hebatpur, Bopal, Ahmedabad-380058, Gujarat, India.
Jamankumar Hansarajbhai Talavia <i>Whole time Director</i>	01525356	404, Garden Residency-3, B/h. Shaym Villa, Bopal, Gala Gymkhana Road, Bopal, Ahmedabad- 380058, Gujarat, India.
Jagdishbhai Ravjibhai Savaliya <i>Whole time Director</i>	06481920	E-504, Shree Lakshminarayan Residency, Behind Devbhumi Bungalows Opp Garden Residency 2, Ghuma, Ahmedabad 380058, Gujarat, India.

Name and designation on the Board	DIN	Address
Deepak Bachubhai Kanparia <i>Independent Director</i>	06860678	A-201 Surbhi Apartment Opp Aditya Plaza Satellite Ahmedabad 380015 Gujarat, India.
Bhaveshkumar Jayantibhai Ponkiya <i>Independent Director</i>	09378123	A-303 Swati Gardenia Behind Torrent Sub Station Makarba Main Road, Makarba, Ahmedabad – 380051, Gujarat, India.
Amisha Fenil Shah <i>Independent Director</i>	09411332	17/197 Rameshwar Apartment, Sola HBC Road, Naranpura, Ahmedabad – 380 063, Gujarat, India.

For further details of our Board of Directors, see “*Our Management – Board of Directors*” on page 189.

### Company Secretary and Compliance Officer

Malvika Bhadreshbhai Kapasi is the Company Secretary and Compliance Officer of our Company. Her contact details are as follows:

#### Malvika Bhadreshbhai Kapasi

Office No. 901 to 903 & 911,  
B-square 2, Iscon Ambli Road,  
Ahmedabad -380058,  
Gujarat, India.

**Telephone:** +91-79-26893226

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

### Filing

A copy of this Red Herring Prospectus is being filed electronically with SEBI at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to “*Easing of Operational Procedure – Division of Issues and Listing – CFD*”, and has also been uploaded on the SEBI intermediary portal at <https://siportal.sebi.gov.in> as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

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

### Book Running Lead Managers

#### Elara Capital (India) Private Limited

One International Centre  
Tower 3, 21st Floor, Senapati Bapat Marg  
Elphinstone Road West, Mumbai – 400 013

**Telephone:** +91 22 6164 8599

**E-mail:** dharmaj.ipo@elaracapital.com

**Website:** www.elaracapital.com

#### Investor grievance e-mail:

mb.investorgrievances@elaracapital.com

**Contact person:** Astha Daga

#### Monarch Network Capital Limited

602-A, The Capital G Block,  
Bandra Kurla Complex, Bandra (E),  
Mumbai – 400051

**Telephone:** +91 22 68836402

**E-mail:** ipo.dharmaj@mnclgroup.com

**Website:** www.mnclgroup.com

**Investor grievance e-mail:** mbd@mnclgroup.com

**Contact person:** Saahil Kinkhabwala/ Nikhil Parikh

### Syndicate Members

#### Elara Securities (India) Private Limited

21st Floor, Tower 3, One International Centre  
Senapati Bapat Marg, Elphinstone Road (West)  
Mumbai 400013, Maharashtra

**Telephone:** +91 22 6164 8574

#### Monarch Network Capital Limited

Monarch House, Opp. Prahladbhai Patel Garden,  
Navranpura, Ahmedabad – 380 009

**Telephone:** +91 79266 66500

**E-mail:** ashok.devarajan@mnclgroup.com

**E-mail:** kamal.sati@elaracapital.com  
**Website:** www.elaracapital.com  
**Contact Person:** Kamal Kishore Sati  
**SEBI Registration No.:** INZ000238236

**Website:** www.mnclgroup.com  
**Contact Person:** Ashok Devarajan  
**SEBI Registration No.:** INZ000008037

### Statement of inter-se allocation of responsibilities

The following table sets forth the inter-se allocation of responsibilities for various activities among the BRLMs:

Sr. No.	Activity	Responsibility	Co-ordinator
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing.	Elara Capital and Monarch Network	Elara Capital
2.	Drafting and approval of all statutory advertisements	Elara Capital and Monarch Network	Elara Capital
3.	Appointment of intermediaries viz., Registrar's, Printers, Advertising Agency, Syndicate, Sponsor Bank, Bankers to the Offer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	Elara Capital and Monarch Network	Elara Capital
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure and filing of media compliance report.	Elara Capital and Monarch Network	Monarch Network
5.	International Institutional marketing of the Offer, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> <li>• Institutional marketing strategy;</li> <li>• Finalizing the list and division of international investors for one-to-one meetings;</li> <li>• Finalizing international road show and investor meeting schedule</li> </ul>	Elara Capital and Monarch Network	Monarch Network
6.	Domestic Institutional marketing of the Offer, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> <li>• Preparation of road show marketing presentation and frequently asked questions;</li> <li>• Institutional marketing strategy;</li> <li>• Finalizing the list and division of domestic investors for one-to-one meetings; and</li> <li>• Finalizing domestic road show and investor meeting schedule</li> </ul>	Elara Capital and Monarch Network	Elara Capital
7.	Non-Institutional marketing of the Offer and retail marketing of the Offer, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> <li>• Formulating marketing strategies;</li> <li>• Preparation of publicity budget, finalizing media and public relations strategy.</li> <li>• Finalizing centres for holding conferences for brokers</li> <li>• Finalizing collection centres;</li> <li>• Finalizing commission structure;</li> <li>• Arranging for selection of underwriters and underwriting agreement and</li> <li>• Follow-up on distribution of publicity and Offer material including</li> </ul>	Elara Capital and Monarch Network	Monarch Network

Sr. No.	Activity	Responsibility	Co-ordinator
	form, prospectus and deciding on the quantum of the Offer material.		
8.	Managing the book and finalization of pricing in consultation with the Company	Elara Capital and Monarch Network	Elara Capital
9.	Coordination with Stock Exchanges for Book Building Process, filing of letters including software, bidding terminals, mock trading, payment of 1% security deposit to the Designated Stock Exchange and Anchor Investor intimation	Elara Capital and Monarch Network	Monarch Network
10.	Post- Offer activities, which shall involve essential follow-up with bankers to the Offer and SCSBs to get quick estimates of collection and advising our Company about the closure of the Offer, based on correct figures, finalization of the basis of allotment or weeding out of multiple applications, listing of instruments, demat credit and refunds and coordination with various agencies connected with the post-Offer activity such as Registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable.	Elara Capital and Monarch Network	Monarch Network
	Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post Offer report to SEBI		

#### Legal Counsel to the Offer

##### M/s. Crawford Bayley and Co.

State Bank Building, 4th Floor  
N.G.N. Vaidya Marg, Fort  
Mumbai – 400 023  
Maharashtra, India  
**Telephone:** +91 22 2266 3353  
**E-mail:** sanjay.asher@crawfordbayley.com

#### Special International Legal Counsel to the BRLMs

##### Duane Morris & Selvam LLP

16 Collyer Quay, #17-00  
Singapore - 049318  
**Telephone:** +65 6311 0030  
**Email:** [jbenson@duanemorriselvam.com](mailto:jbenson@duanemorriselvam.com)

#### Registrar to the Offer

##### Link Intime India Private Limited

C-101, 247 Park, LBS Marg,  
Vikhroli West, Mumbai – 400 083  
Maharashtra, India.  
**Telephone:** +91 22 4918 6200  
**E-mail:** dharmaj.crop@linkintime.co.in  
**Website:** www.linkintime.co.in  
**Investor Grievance e-mail:** dharmaj.crop@linkintime.co.in  
**Contact Person:** Shanti Gopalkrishnan  
**SEBI Registration Number:** INR000004058

#### Advisor to the Offer

**Stepup Capital Advisors LLP**

407, Tilakraj Complex, Near Suryarath Complex,  
Panchvati First Lane, Ellisbridge,  
Ahmedabad, Gujarat – 380 006

**Telephone:** +91 96876 92225

**E-mail:** yogeshjain@stepupcapital.in

**Website:** www.stepupcapital.in

**Contact person:** CA Yogesh Jain

**Banker(s) to the Offer and Sponsor Bank*****Escrow Collection Bank, Refund Bank and Sponsor Bank*****Axis Bank Limited**

Axis Bank, Matru Smriti Plot No. 326,  
Main Linking Road, Khar (West), Mumbai – 400 052

**Tel:** +91 9930621865

**E-mail:** mohd21.khan@axisbank.com

**Website:** www.axisbank.com

**SEBI Registration Number:** INBI00000017

**Contact Person:** Mohd Khan

***Public Offer Account Bank and Sponsor Bank*****HDFC Bank Limited**

FIG – OPS Department – Lodha, I Think Techno Campus  
O-3 Level, Next to Kanjurmarg Railway Station, Kanjurmarg (East)  
Mumbai – 400 042, Mahareashtra India

**Telephone:** +91 22 307 52927/ 28/ 2914

**Email:** Siddharth.Jadhav@hdfcbank.com, eric.bacha@hdfcbank.com, vikas.rahate@hdfcbank.com,  
Sachin.gawade@hdfcbank.com

**Website:** www.hdfcbank.com

**SEBI Registration Number:** INBI00000063

**Contact person:** Siddharth Jadhav, Eric Bacha, Sachin Gawade, Vikas Rahate

**Designated Intermediaries*****Self-Certified Syndicate Banks***

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

***SCSBs eligible as Issuer Banks for UPI Mechanism and eligible mobile application***

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, UPI Bidders using the UPI Mechanism may only apply through the SCSBs and Mobile Applications specified 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.

### ***Syndicate SCSB Branches***

In relation to Bids (other than Bids by Anchor Investors and RIIs) submitted under the ASBA process 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 at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35>, which may be updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35> or any such other website as may be prescribed by SEBI from time to time.

### ***Registered Brokers***

The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

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

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the 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/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/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 their name and contact details, is provided on the websites of the 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/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), respectively, as updated from time to time.

### **Statutory Auditor of our Company**

#### **K A R M A & Co. LLP**

503, 5th Floor, PATRON,  
Opp. Kensvilla, Golf Academy,  
Rajpath Club to S P Ring Road,  
Bodakdev, Ahmedabad – 380 054

**E-mail:** JIGNESH@KARMALLP.IN

**Telephone:** +91 079-40394154

**Firm registration number:** 127544W/W100376

**Peer review no.:** 013252

### **Changes in Auditors**

Except as disclosed below, there are no changes to our statutory auditors in the last three years:

<b>Particulars</b>	<b>Date of change</b>	<b>Reason of change</b>
<b>K A R M A &amp; Co. LLP</b> 503, 5 <sup>th</sup> Floor, PATRON, Opp. Kensvilla, Golf Academy, Rajpath Club to S P Ring Road, Bodakdev, Ahmedabad – 380 054	October 21, 2021	Appointment as Statutory Auditor of the Company. Further, the name of Dilip Paresh & Co. has been changed to K A R M A & Co. LLP with effect from December 19, 2019.

## **Bankers to our Company**

### **HDFC Bank Limited**

1st Floor, C S No. 6/242,  
Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013  
**Contact person:** Vipul Jani (BBG)  
**E-mail:** vipul.jani@hdfcbank.com  
**Telephone:** +91 93279 35782  
**Website:** www.hdfcbank.com

## **Grading of the Offer**

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

## **Appraising Entity**

Our project in relation to setting up of a manufacturing facility at Saykha, Bharuch, Gujarat is being appraised by Resurgent India Limited.

## **Monitoring Agency**

### **CARE Ratings Limited**

4th Floor, Godrej Coliseum, Somaiya Hospital Road,  
Sion (E), Mumbai – 400022, Maharashtra, India  
**Tel:** 079-40265662  
**Website:** www.careratings.com  
**Contact Person:** Alap Mehta  
**Email:** alap.mehta@careedge.in  
**CIN:** L67190MH1993PLC071691

## **Credit Rating**

As this is an offer of Equity Shares, the appointment of a credit rating agency is not required.

## **Debenture Trustees**

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

## **Green shoe option**

No green shoe option is contemplated under the Offer.

## **Experts**

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

Our Company has received written consent dated November 21, 2022 from K A R MA & Co. LLP to include their name as required under Section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of their (i) examination report, dated November 10, 2022 on our Restated Financial Statements; and (ii) the statement of special tax benefits available to the Company and its shareholders dated November 1, 2022, included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

In addition, our Company has received written consent dated September 23, 2022 from Devang Shah, as chartered

engineer to include his name as an “expert” as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013 in respect of the certificate dated September 23, 2022, on the manufacturing capacity at the Company’s manufacturing facility and its utilization at the manufacturing facility including other details , and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

The term “experts” and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

### **Book Building Process**

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of this Red Herring Prospectus and the Bid cum Application Forms and the Revision Form within the Price Band. The Price Band and Minimum Bid Lot will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and will be advertised in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a Hindi national daily newspaper) and the Gujarat edition of Financial Express (a widely circulated Gujarati newspaper, Gujarati being the regional language of Gujarat where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, after the Bid/Offer Closing Date.

**All Bidders (except Anchor Investors) can participate in this Offer mandatorily only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. Further, UPI Bidders may also participate in the Offer using the UPI Mechanism.**

**In terms of the SEBI ICDR Regulations, 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 and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except Allocation to Retail Individual Investors and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. Allocation to the Anchor Investors will be on a discretionary basis.**

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

Each Bidder by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

For further details on method and process of Bidding, see “*Offer Structure*” and “*Terms of the Offer*” on pages 334 and 328, respectively.

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

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

For an illustration of the Book Building Process and the price discovery process, please refer to the section entitled “*Offer Procedure*” on page 339.

### **Underwriting Agreement**

After the determination of the Offer Price but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed



to be offered through the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

*(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)*

<i>(₹ in million)</i>		
Name, address, telephone and e-mail of Underwriters	Indicative number of Equity Shares to be Underwritten	Amount Underwritten
[●]	[●]	[●]

The abovementioned underwriting commitment is indicative and will be finalized after determination of the Offer Price and Basis of Allotment and will be subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board of Directors, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our 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 commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them, in accordance with the Underwriting Agreement. Subject to the applicable laws and pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement has not been executed as on the date of this Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to filing the Prospectus with the RoC. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

## CAPITAL STRUCTURE

The share capital of our Company as at the date of this Red Herring Prospectus, is set forth below:

<i>(in ₹ million, except share data)</i>		
	Aggregate nominal value	Aggregate value at Offer Price <sup>1)</sup>
<b>A) AUTHORISED SHARE CAPITAL</b>		
35,000,000 Equity Shares of face value of ₹ 10 each	350.00	-
<b>B) ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE OFFER</b>		
24,683,372 Equity Shares of face value of ₹ 10 each	246.83	-
<b>C) PRESENT OFFER IN TERMS OF THIS RED HERRING PROSPECTUS</b>		
Offer of up to [●] Equity Shares aggregating up to ₹ [●] million <sup>(1) (2)</sup>	[●]	[●]
<i>- of which</i>		
Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 2,160.00 million <sup>(1)</sup>	[●]	[●]
Offer for Sale of up to 1,483,000 Equity Shares aggregating up to ₹ [●] million <sup>(2)</sup>	[●]	[●]
<i>- of which</i>		
Employee Reservation Portion <sup>(3)</sup>		
Up to 55,000 Equity Shares of face value of ₹10 each, aggregating up to ₹[●] million		
<b>D) ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER*</b>		
[●] Equity Shares of face value of ₹10 each	[●]	
<b>E) SECURITIES PREMIUM ACCOUNT</b>		
Before the Offer		Nil
After the Offer		[●]

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

- (1) The Offer has been authorized by a resolution of our Board dated November 18, 2021 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated November 25, 2021.
- (2) Each Selling Shareholders has specifically confirmed that the Offered Shares are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see “Other Regulatory and Statutory Disclosures” beginning on page 316.
- (3) The Offer includes an Employee Reservation Portion of up to 55,000 Equity Shares of face value of ₹10 each aggregating up to ₹[●] million. Our Company and the Selling Shareholders in consultation with the BRLMs, may offer an Employee Discount of up to 5% to the Offer Price (equivalent of ₹[●] per Equity Share), which shall be announced at least two Working Days prior to the Bid/Offer Opening Date.

### Changes in the authorised share capital

For details of the changes to the authorised share capital of the Company since incorporation, see “History and Certain Corporate Matters” on page 185

## Notes to Capital Structure

### 1. Share capital history

History of Equity Share capital of our Company

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

Date of allotment	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason/ nature of allotment	Form of consideration	Cumulative number of Equity Shares	Cumulative paid up Equity Share capital (₹)
January 19, 2015	50,000	10	10	Initial subscription to the MOA <sup>(1)</sup>	Cash	50,000	500,000
April 10, 2017	1,950,000	10	15	Rights issue <sup>(2)</sup>	Cash	2,000,000	20,000,000
May 11, 2019	3,000,000	10	-	Bonus issue in the ratio of 3 Equity Shares for every 2 Equity Share held in our Company <sup>(3)</sup>	-	5,000,000	50,000,000
July 13, 2019	5,000,000	10	-	Bonus issue in the ratio of 1 Equity Share for every 1 Equity Share held in our Company <sup>(4)</sup>	-	10,000,000	100,000,000
November 11, 2019	6,000,000	10	21.95	Rights issue <sup>(5)</sup>	Cash	16,000,000	160,000,000
December 03, 2019	455,581	10	21.95	Rights issue <sup>(6)</sup>	Cash	16,455,581	164,555,810
November 27, 2021	8,227,791	10	-	Bonus issue in the ratio of 1 Equity Share for every 2 Equity Share held in our Company <sup>(7)</sup>	-	24,683,372	246,833,720

(1) Allotment of 19,850 Equity Shares to Rameshbhai Ravajibhai Talavia, 19,850 Equity Shares to Jamankumar Hansarajbhai Talavia, 5,000 Equity Shares to Manjulaben Rameshbhai Talavia, 5,000 Equity Shares to Muktaben Jamankumar Talavia, 100 Equity Shares to Rakeshkumar Durlabhji Donga, 100 Equity Shares to Dilibhai Devrajbhai Vaghasia and 100 Equity Shares to Chandulal Hansrajbhai Topiya.

(2) Allotment of 698,100 Equity Shares to Rameshbhai Ravajibhai Talavia, 682,500 Equity Shares to Jamankumar Hansarajbhai Talavia, 195,000 Equity Shares to Manjulaben Rameshbhai Talavia, 195,000 Equity Shares to Muktaben Jamankumar Talavia, 97,500 Equity Shares to Vishal Domadia, 19,500 Equity Shares to Domadia Artiben, 58,500 Equity Shares to Jagdishbhai Ravjibhai Savaliya and 3,900 Equity Shares to Ilaben Jagdishbhai Savaliya.

(3) Allotment of 1,074,000 Equity Shares to Rameshbhai Ravajibhai Talavia, 1,050,000 Equity Shares to Jamankumar Hansarajbhai Talavia, 300,000 Equity Shares to Manjulaben Rameshbhai Talavia, 300,000 Equity Shares to Muktaben Jamankumar Talavia, 150,000 Equity Shares to Vishal Domadia, 43,920 Equity Shares to Jagdishbhai Ravjibhai Savaliya, 6,000 Equity Shares to Ilaben Jagdishbhai Savaliya, 30,000 Equity Shares to Domadia Artiben and 46,080 Equity Shares to Prafullaben Shantilal Savaliya jointly with Shantilal Ravjibhai Savaliya.

(4) Allotment of 1,790,000 Equity Shares to Rameshbhai Ravajibhai Talavia, 1,750,000 Equity Shares to Jamankumar Hansarajbhai Talavia, 500,000 Equity Shares to Manjulaben Rameshbhai Talavia, 500,000 Equity Shares to Muktaben Jamankumar Talavia, 250,000 Equity Shares to Vishal Domadia, 73,200 Equity Shares to Jagdishbhai Ravjibhai Savaliya, 10,000 Equity Shares to Ilaben Jagdishbhai Savaliya, 50,000 Equity Shares to Domadia Artiben and 76,800 Equity Shares to Prafullaben Shantilal Savaliya jointly with Shantilal Ravjibhai Savaliya.

(5) Allotment of 1,969,810 Equity Shares to Rameshbhai Ravajibhai Talavia, 2,000,170 Equity Shares to Jamankumar Hansarajbhai Talavia, 778,190 Equity Shares to Manjulaben Rameshbhai Talavia, 699,830 Equity Shares to Muktaben Jamankumar Talavia, 360,000 Equity Shares to Vishal Domadia and 192,000 Equity Shares to Jagdishbhai Ravjibhai Savaliya.

(6) Allotment of 455,581 Equity Shares to Rameshbhai Ravajibhai Talavia.

(7) Allotment of 3,002,696 Equity Shares to Rameshbhai Ravajibhai Talavia, 2,750,085 Equity Shares to Jamankumar Hansarajbhai Talavia, 889,095 Equity Shares to Manjulaben Rameshbhai Talavia, 849,915 Equity Shares to Muktaben Jamankumar Talavia, 430,000 Equity Shares to Vishal Domadia, 169,200 Equity Shares to Jagdishbhai Ravjibhai Savaliya, 10,000 Equity Shares to Ilaben Jagdishbhai Savaliya, 50,000 Equity Shares to Domadia Artiben and 76,800 Equity Shares to Prafullaben Shantilal Savaliya jointly with Shantilal Ravjibhai Savaliya.

2. As on the date of this Red Herring Prospectus, our Company does not have any preference share capital.

### 3. Issue of Equity Shares for consideration other than cash or through bonus

Except as set out below, our Company has not issued Equity Shares for consideration other than cash or through bonus issue:

Date of allotment/date when fully paid up	Number of Equity Shares	Face value (₹)	Name of allottee	No of Equity Shares allotted	Reasons for allotment	Benefits accrued to our Company
May 11, 2019	3,000,000	10	Rameshbhai Ravajibhai Talavia	1,074,000	Bonus issue in the ratio of 3 Equity Share for every 2 Equity Share held in our Company	-
			Jamankumar Hansarajbhai Talavia	1,050,000		
			Manjulaben Rameshbhai Talavia	300,000		
			Muktaben Jamankumar Talavia	300,000		
			Vishal Domadia	150,000		
			Jagdishbhai Ravjibhai Savaliya	43,920		
			Ilaben Jagdishbhai Savaliya	6,000		
			Domadia Artiben	30,000		
			Prafullaben Shantilal Savaliya jointly with Shantilal Ravjibhai Savaliya	46,080		
			July 13, 2019	5,000,000		
Jamankumar Hansarajbhai Talavia	1,750,000					
Manjulaben Rameshbhai Talavia	500,000					
Muktaben Jamankumar Talavia	500,000					
Vishal Domadia	250,000					
Jagdishbhai Ravjibhai Savaliya	73,200					
Ilaben Jagdishbhai Savaliya	10,000					
Domadia Artiben	50,000					
Prafullaben Shantilal Savaliya jointly held with Shantilal Ravjibhai	76,800					

Date of allotment/date when fully paid up	Number of Equity Shares	Face value (₹)	Name of allottee	No of Equity Shares allotted	Reasons for allotment	Benefits accrued to our Company
November 27, 2021	8,227,791	10	Savaliya Rameshbhai Ravajibhai Talavia Jamankumar Hansarajbhai Talavia Manjulaben Rameshbhai Talavia Muktaben Jamankumar Talavia Vishal Domadia Jagdishbhai Ravajibhai Savaliya Ilaben Jagdishbhai Savaliya Domadia Artiben Prafullaben Shantilal Savaliya jointly held with Shantilal Ravajibhai Savaliya	3,002,696 2,750,085 889,095 849,915 430,000 169,200 10,000 50,000 76,800	Bonus issue in the ratio of 1 Equity Share for every 2 Equity Share held in our Company	-

4. Our Company has not issued any Equity Shares out of its revaluation reserves since incorporation.

#### 5. Issue of shares pursuant to schemes of arrangement

Our Company has not allotted any equity shares or preference shares pursuant to any scheme of arrangement approved under sections 391-394 of the Companies Act, 1956 or sections 230-234 of the Companies Act, 2013, as applicable.

#### 6. Issue of Equity Shares at a price lower than the Offer price in the last one year

The Offer Price shall be determined by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers after the Bid / Offer Closing Date. Details of Equity Shares issued at a price which may be lower than the Offer Price during a period of one year preceding the date of this Red Herring Prospectus are set forth in the below table:

Date of allotment/date when fully paid up	Number of Equity Shares	Face value (₹)	Name of allottee	No of Equity Shares allotted	Reasons for allotment	Benefits accrued to our Company
November 27, 2021	8,227,791	10	Rameshbhai Ravajibhai Talavia Jamankumar Hansarajbhai Talavia Manjulaben Rameshbhai Talavia Muktaben Jamankumar Talavia Vishal Domadia Jagdishbhai Ravajibhai Savaliya Ilaben Jagdishbhai Savaliya Domadia Artiben Prafullaben Shantilal Savaliya jointly with Shantilal Ravajibhai	3,002,696 2,750,085 889,095 849,915 430,000 169,200 10,000 50,000 76,800	Bonus issue in the ratio of 1 Equity Share for every 2 Equity Share held in our Company	-

Date of allotment/date when fully paid up	Number of Equity Shares	Face value (₹)	Name of allottee	No of Equity Shares allotted	Reasons for allotment	Benefits accrued to our Company
Savaliya						

7. Our Company does not have any employee stock option schemes as on the date of this Red Herring Prospectus.

#### 8. History of build-up Promoters' shareholding and lock-in of Promoters' shareholding including Promoters' contribution)

As on the date of this Red Herring Prospectus, our Promoter holds 19,055,942 Equity Shares, constituting 77.20% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. The details regarding our Promoters' shareholding is set out below.

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

##### Equity shareholding

Set forth below is the build-up of the equity shareholding of our Promoter since incorporation of our Company:

Date of allotment/transfer	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue/acquisition price per Equity Share (₹)	Nature of Transaction	% of the pre-Offer Equity Share capital	% of the post-Offer Equity Share capital
<b>Rameshbhai Ravajibhai Talavia</b>							
January 19, 2015	19,850	Cash	10	10	Initial subscription to MOA	0.08	[●]
December 13, 2016	(2,000)	Cash	10	10	Transfer to Vishal Domadia	0.01	[●]
December 13, 2016	(200)	Cash	10	10	Transfer to Jagdishbhai Ravjibhai Savaliya	Negligible*	[●]
December 13, 2016	(50)	Cash	10	10	Transfer to Ilaben Jagdishbhai Savaliya	Negligible*	[●]
April 10, 2017	698,100	Cash	10	15	Rights issue	2.83	[●]
September 20, 2018	100	Cash	10	10	Transfer from Rakeshkumar Donga	Negligible*	[●]
September 20, 2018	100	Cash	10	10	Transfer from Dilipbhai Vagasia	Negligible*	[●]
September 20, 2018	100	Cash	10	10	Transfer from Chandulal Topiya	Negligible*	[●]
May 11, 2019	1,074,000	-	10	-	Bonus issue in the ratio of 3	4.35	[●]

Date of allotment/ transfer	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue/ acquisition price per Equity Share (₹)	Nature of Transaction	% of the pre-Offer Equity Share capital	% of the post-Offer Equity Share capital
					Equity Share for every 2 Equity Share held in our Company		
July 13, 2019	1,790,000	-	10	-	Bonus issue in the ratio of 1 Equity Share for every 1 Equity Share held in our Company	7.25	[●]
November 11, 2019	1,969,810	Cash	10	21.95	Rights issue	7.98	[●]
December 03, 2019	455,581	Cash	10	21.95	Rights issue	1.85	[●]
November 27, 2021	3,002,696	-	10	-	Bonus issue in the ratio of 1 Equity Share for every 2 Equity Share held in our Company	12.16	[●]
<b>Total (A)</b>	<b>9,008,087</b>					<b>36.49</b>	
<b>Jamankumar Hansarajbhai Talavia</b>							
January 19, 2015	19,850	Cash	10	10	Initial subscription to MOA	0.08	[●]
December 13, 2016	(500)	Cash	10	10	Transfer to Vishal Domadia	Negligible*	[●]
December 13, 2016	(50)	Cash	10	10	Transfer to Ilaben Jagdishbhai Savaliya	Negligible*	[●]
December 13, 2016	(500)	Cash	10	10	Transfer to Domadia Artiben	Negligible*	[●]
December 13, 2016	(1,300)		10	10	Transfer to Jagdishbhai Savaliya	(0.01)	[●]
April 10, 2017	682,500	Cash	10	15	Rights issue	2.77	[●]
May 11, 2019	1,050,000	-	10	-	Bonus issue in the ratio of 3 Equity Share for every 2 Equity Share	4.25	[●]

Date of allotment/ transfer	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue/ acquisition price per Equity Share (₹)	Nature of Transaction	% of the pre-Offer Equity Share capital	% of the post-Offer Equity Share capital
July 13, 2019	1,750,000	-	10	-	held in our Company Bonus issue in the ratio of 1 Equity Share for every 1 Equity Share held in our Company	7.09	[●]
November 11, 2019	2,000,170	Cash	10	21.95	Rights issue	8.10	[●]
November 27, 2021	2,750,085	-	10	-	Bonus issue in the ratio of 1 Equity Share for every 2 Equity Share held in our Company	11.14	[●]
<b>Total (B)</b>	<b>8,250,255</b>					<b>33.42</b>	
<b>Jagdishbhai Ravjibhai Savaliya</b>							
December 13, 2016	200	Cash	10	10	Transfer from Rameshbhai Ravajibhai Talavia	Negligible*	[●]
December 13, 2016	1,300	Cash	10	10	Transfer from Jamankumar Hansarajbhai Talavia	0.01	[●]
April 10, 2017	58,500	Cash	10	15	Rights Issue	0.24	[●]
May 9, 2019	(30,720)	Cash	10	16.27	Transfer to Prafullaben Shantilal Savaliya jointly with Shantilal Ravjibhai Savaliya	(0.12)	[●]
May 11, 2019	43,920	-	10	-	Bonus issue in the ratio of 3 Equity Share for every 2 Equity Share held in our Company	0.18	[●]
July 13, 2019	73,200	-	10	-	Bonus issue in the ratio of 1 Equity Share	0.30	[●]



Date of allotment/ transfer	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue/ acquisition price per Equity Share (₹)	Nature of Transaction	% of the pre-Offer Equity Share capital	% of the post-Offer Equity Share capital
					for every 1 Equity Share held in our Company		
November 11, 2019	192,000	Cash	10	21.95	Rights Issue	0.78	[●]
November 27, 2021	169,200	-	10	-	Bonus issue in the ratio of 1 Equity Share for every 2 Equity Share held in our Company	0.69	[●]
<b>Total (C)</b>	<b>507,600</b>					<b>2.06</b>	
<b>Vishal Domadia</b>							
December 13, 2016	2,000	Cash	10	10	Transfer from Rameshbhai Ravajibhai Talavia	0.01	[●]
December 13, 2016	500	Cash	10	10	Transfer from Jamankumar Hansarajbhai Talavia	Negligible*	[●]
April 10, 2017	97,500	Cash	10	15	Rights issue	0.40	[●]
May 11, 2019	150,000	-	10	-	Bonus issue in the ratio of 3 Equity Share for every 2 Equity Share held in our Company	0.61	[●]
July 13, 2019	250,000	-	10	-	Bonus issue in the ratio of 1 Equity Share for every 1 Equity Share held in our Company	1.01	[●]
November 11, 2019	360,000	Cash	10	21.95	Rights issue	1.46	[●]
November 27, 2021	430,000	-	10	-	Bonus issue in the ratio of 1 Equity Share for every 2 Equity Share held in our Company	1.74	[●]

Date of allotment/ transfer	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue/ acquisition price per Equity Share (₹)	Nature of Transaction	% of the pre-Offer Equity Share capital	% of the post-Offer Equity Share capital
<b>Total (D)</b>	<b>1,290,000</b>					<b>5.23</b>	
<b>Total (A+B+C+D)</b>	<b>19,055,942</b>					<b>77.20</b>	

*\*Less than 0.01 per cent*

All the Equity Shares held by our Promoter was fully paid-up on the respective dates of acquisition of such Equity Shares.

None of the Equity Shares held by our Promoter are pledged as on the date of this Red Herring Prospectus.

#### **b. Shareholding of the members of our Promoter and Promoter Group**

Set forth below is the equity shareholding of our Promoter and members of the Promoter Group as on the date of this Red Herring Prospectus

Sr. No.	Name of shareholder	Pre-Offer		Post-Offer*	
		No. of Equity Shares	Percentage of pre-Offer shareholding on a fully diluted basis	No. of Equity Shares	Percentage of post-Offer shareholding on a fully diluted basis
<b>Promoter</b>					
1.	Rameshbhai Talavia Ravajibhai	9,008,087	36.49	[●]	[●]
2.	Jamankumar Talavia Hansarajbhai	8,250,255	33.42	[●]	[●]
3.	Vishal Domadia	1,290,000	5.23		
4.	Jagdishbhai Savaliya Ravjibhai	507,600	2.06	[●]	[●]
	<b>Total (A)</b>	<b>19,055,942</b>	<b>77.20</b>	<b>[●]</b>	<b>[●]</b>
<b>Promoter Group</b>					
1.	Manjulaben Talavia Rameshbhai	2,667,285	10.81	[●]	[●]
2.	Muktaben Talavia Jamankumar	2,549,745	10.33		
3.	Prafullaben Savaliya jointly held with Shantilal Ravjibhai Savaliya	230,400	0.93	[●]	[●]
4.	Domadia Artiben	150,000	0.61	[●]	[●]
5.	Ilaben Savaliya Jagdishbhai	30,000	0.12	[●]	[●]
	<b>Total (B)</b>	<b>5,627,430</b>	<b>22.80</b>		
	<b>Total (A+B)</b>	<b>24,683,372</b>	<b>100.00</b>		

*\*Subject to finalisation of Basis of Allotment.*

All the Equity Shares held by our Promoters and members of the Promoter Group are in dematerialised form as on the date of this Red Herring Prospectus.

**c. Details of Promoters' contribution locked-in for three years.**

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be considered as minimum promoters' contribution and locked-in for a period of three years from the date of Allotment ("Promoters' Contribution") as the majority of the offer proceeds excluding the portion of offer for sale is proposed to be utilised for capital expenditure and the shareholding of our Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of one year from the date of Allotment.

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

Name of the Promoter	No. of Equity Shares locked-in	Date of transaction	Nature of transaction	Face value (₹)	Issue Price (₹)	Allotment/ acquisition price (₹)	% of the pre-Offer Share capital	% of the post-Offer Equity capital	Date up to which the Equity Shares are subject to lock-in
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>Total</b>	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

As on the date of this Red Herring Prospectus, our Promoters hold 19,055,942 Equity Shares, constituting 77.20% of our Company's issued, subscribed and paid-up Equity Share capital on a fully diluted basis, all of which are eligible for Promoters' Contribution.

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

Our Promoter has confirmed to our Company and the BRLMs that the acquisition of the Equity Shares held by him and which will be locked-in as the Promoters' Contribution have been financed from personal funds/ internal accruals and no loans or financial assistance from any banks or financial institution has been availed for such purpose.

The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot, as required under the SEBI ICDR Regulations.

Our Company undertakes that the Equity Shares that are being locked-in are not and will not be ineligible for computation of Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, we confirm the following:

- i. The Equity Shares offered for Promoter's Contribution do not comprise Equity Shares acquired in the three immediately preceding years (a) for consideration other than cash involving revaluation of assets or capitalisation of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealised profits of our Company or from a bonus issuance of Equity Shares against Equity Shares, which are otherwise ineligible for computation of Promoter's Contribution;
- ii. The Promoter's Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

- iii. Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Red Herring Prospectus pursuant to conversion from a partnership firm or a limited liability partnership firm;
- iv. The Equity Shares forming part of the Promoter's Contribution are not subject to any pledge; and
- v. All the Equity Shares held by our Promoter are in dematerialised form.

**d. Other Lock-in requirements**

In addition to Promoters' Contribution locked in for three years as specified above, pursuant to Regulations 16(1)(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters in excess of Promoters' Contribution will be locked in for a period of one year, and pursuant to Regulation 17, the entire pre-Offer Equity Share capital of our Company will be locked in for a period of six months from the date of Allotment, except for the Equity Shares successfully transferred as a part of the Offer for Sale;

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, as mentioned above, may be pledged as collateral security for a loan with a scheduled commercial bank, a public financial institution, Systemically Important Non-Banking Financial Company or a deposit accepting housing finance company, subject to the following:

- (a) With respect to the Equity Shares locked-in for one year from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.
- (b) With respect to the Equity Shares locked-in as Promoter's Contribution for three years from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Offer.

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

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, may be transferred to any member of our Promoter Group or a new promoter, subject to continuation of lock-in applicable with the transferee for the remaining period and compliance with provisions of the Takeover Regulations.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoters prior to the Offer and locked-in for a period of six months, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in with the transferee and compliance with the provisions of the Takeover Regulations.

Any unsubscribed portion of the Offered Shares would also be locked-in as required under the SEBI ICDR Regulations.

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

Fifty per cent of the Equity Shares Allotted to the Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment and a lock-in of 30 days on the remaining fifty per cent of the Equity Shares allotted to the Anchor Investors from the date of allotment.

**f. Recording on non-transferability of Equity Shares locked-in**

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

## 9. Our shareholding pattern

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

Category (I)	Category of shareholder (II)	Nos. of share holders (III)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of underlying Depository Receipts (VI)	Total nos. of shares held (VII)= (IV) + (V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)		No. of Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII) + (X) As a % of (A +B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form(XIV)
								Class-Equity Shares	Total as % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(A)	Promoter and Promoter Group	9	24,683,372	-	-	24,683,372	100.00	24,683,372	100.00	-	100.00	-	0.00	-	0.00	24,683,372
(B)	Public	-	-	-	-	-	0.00	-	0.00	-	-	-	0.00	-	0.00	-
(C)	Non Promoter-Non Public	-	-	-	-	-	0.00	-	0.00	-	-	-	0.00	-	0.00	-
(C1)	Shares Underlying DRs	-	-	-	-	-	0.00	-	0.00	-	-	-	0.00	-	0.00	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	0.00	-	0.00	-	-	-	0.00	-	0.00	-
(C3)	Shares underlying ESOP's	-	-	-	-	-	0.00	-	0.00	-	-	-	0.00	-	0.00	-
	<b>Total</b>	<b>9</b>	<b>24,683,372</b>	<b>-</b>	<b>-</b>	<b>24,683,372</b>	<b>100.00</b>	<b>24,683,372</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,683,372</b>

## 10. Other details of Equity Shareholding of the Shareholders of our Company

- a. As on the date of this Red Herring Prospectus, our Company has 9 shareholders.
- b. Set forth below is a list of Shareholders, holding 1% or more of the paid-up Equity Share capital of our Company as on the date of filing of this Red Herring Prospectus:

S. No.	Name of shareholder	Number of Equity Shares on a fully diluted basis	Percentage of the pre-Offer Equity Share capital (%) on a fully diluted basis
1.	Rameshbhai Ravajibhai Talavia	9,008,087	36.49
2.	Jamankumar Hansarajbhai Talavia	8,250,255	33.42
3.	Manjulaben Rameshbhai Talavia	2,667,285	10.81
4.	Muktaben Jamankumar Talavia	2,549,745	10.33
5.	Vishal Domadia	1,290,000	5.23
6.	Jagdishbhai Ravjibhai Savaliya	507,600	2.06
	<b>Total</b>	<b>24,272,972</b>	<b>98.34</b>

- c. Set forth below is a list of Shareholders, holding 1% or more of the paid-up Equity Share capital of our Company as of 10 days prior to filing this Red Herring Prospectus:

S. No.	Name of shareholder	Number of Equity Shares on a fully diluted basis	Percentage of the pre-Offer Equity Share capital (%) on a fully diluted basis
1.	Rameshbhai Ravajibhai Talavia	9,008,087	36.49
2.	Jamankumar Hansarajbhai Talavia	8,250,255	33.42
3.	Manjulaben Rameshbhai Talavia	2,667,285	10.81
4.	Muktaben Jamankumar Talavia	2,549,745	10.33
5.	Vishal Domadia	1,290,000	5.23
6.	Jagdishbhai Ravjibhai Savaliya	507,600	2.06
	<b>Total</b>	<b>24,272,972</b>	<b>98.34</b>

- d. Set forth below is a list of Shareholders, holding 1% or more of the paid-up Equity Share capital of our Company as of one year prior to filing this Red Herring Prospectus:

S. No.	Name of shareholder	Number of Equity Shares on a fully diluted basis	Percentage of the pre-Offer Equity Share capital (%) on a fully diluted basis
1.	Rameshbhai Ravajibhai Talavia	6,005,391	36.00
2.	Jamankumar Hansarajbhai Talavia	5,500,170	33.00
3.	Manjulaben Rameshbhai Talavia	1,778,190	11.00
4.	Muktaben Jamankumar Talavia	1,699,830	10.00
5.	Vishal Domadia	860,000	5.00
6.	Jagdishbhai Ravjibhai Savaliya	338,400	2.00
7.	Prafullaben Shantilal Savaliya jointly held with Shantilal Ravjibhai Savaliya	153,600	1.00
8.	Domadia Artiben	100,000	1.00
	<b>Total</b>	<b>16,435,581</b>	<b>99.00</b>

- e. Set forth below is a list of Shareholders, holding 1% or more of the paid-up Equity Share capital of our Company as of two years prior to filing this Red Herring Prospectus:

S. No.	Name of shareholder	Number of Equity Shares on a fully diluted basis	Percentage of the pre-Offer Equity Share capital (%) on a fully diluted basis
1.	Rameshbhai Ravajibhai Talavia	6,005,391	36.00
2.	Jamankumar Hansarajbhai Talavia	5,500,170	33.00
3.	Manjulaben Rameshbhai Talavia	1,778,190	11.00

<b>S. No.</b>	<b>Name of shareholder</b>	<b>Number of Equity Shares on a fully diluted basis</b>	<b>Percentage of the pre-Offer Equity Share capital (%) on a fully diluted basis</b>
4.	Muktaben Jamankumar Talavia	1,699,830	10.00
5.	Vishal Domadia	860,000	5.00
6.	Jagdishbhai Ravjibhai Savaliya	338,400	2.00
7.	Prafullaben Shantilal Savaliya jointly held with Shantilal Ravjibhai Savaliya	153,600	1.00
8.	Domadia Artiben	100,000	1.00
	<b>Total</b>	<b>16,435,581</b>	<b>99.00</b>

11. Our Company, our Directors or the BRLMs have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares or other specified securities of our Company.
12. Except as disclosed in “*Capital Structure – Notes to Capital Structure*” on page 84, none of the members of the Promoter Group or Directors and their immediate relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Red Herring Prospectus.
13. Except as disclosed in “*Our Management - Shareholding of our Directors and Key Managerial Personnel in our Company*” on page 194, none of our Directors or KMPs hold any Equity Shares in our Company.
14. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Red Herring Prospectus. The Equity Shares to be issued or transferred pursuant to the Offer shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.
15. 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 Red Herring Prospectus.
16. As on the date of this Red Herring Prospectus, the BRLMs and their respective associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 do not hold any Equity Shares of our Company. The BRLMs 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.
17. Neither the (i) Book Running Lead Managers or any associate of the Book Running Lead Managers (other than mutual funds sponsored by entities which are associates of the Book Running Lead Managers or insurance companies promoted by entities which are associates of the Book Running Lead Managers or AIFs sponsored by entities which are associates of the Book Running Lead Managers or FPIs (other than individuals, corporate bodies and family offices) sponsored by entities which are associates of the Book Running Lead Managers); nor (ii) any person related to the Promoters or Promoter Group can apply under the Anchor Investor Portion.
18. Except for the Equity Shares to be allotted pursuant to the Fresh Issue, our Company presently does not intend or propose or is under negotiation or consideration to alter its capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares, whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares.
19. 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 filing of this Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application moneys have been refunded to the Anchor Investors, or the application money are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc, as the case may be.
20. There have been no financing arrangements whereby our Promoters, member of our Promoter Group, our Directors, 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 a period of six months preceding the date of filing of this Red Herring Prospectus.

21. Our Promoters and members of our Promoter Group will not submit Bids, or otherwise participate in this Offer, except by way of participation as Selling Shareholders, as applicable, in the Offer for Sale.
22. Any oversubscription to the extent of 1% of the Offer size can be retained for the purposes of rounding off to the nearest multiple of minimum allotment lot while finalizing the Basis of Allotment.
23. No person connected with the Offer, including, but not limited to, the members of the Syndicate, our Company, the Directors, members of our Promoter Group and the Promoter, shall offer or make payment of any incentive, direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Offer, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.
24. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
25. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
26. Our Company shall ensure that any transaction in the Equity Shares by the Promoter and the promoter group during the period between the date of filing of this Red Herring Prospectus and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of such transaction.



## OBJECTS OF THE OFFER

The Offer comprises of a Fresh Issue of [●] Equity Shares, aggregating up to ₹ 2,160.00 million by our Company and an Offer for Sale of up to 1,483,000 Equity Shares, aggregating up to ₹ [●] million by the Selling Shareholders. For details, please refer to the section entitled “*The Offer*” on page 67.

### The Offer for Sale

The object of the Offer for Sale is to allow the Selling Shareholders to sell up to 1,483,000 Equity Shares held by them aggregating up to ₹ [●] million. Our Company will not receive any proceeds from the Offer for Sale.

Each of the Selling Shareholders will be entitled to respective proportion of the proceeds of the Offer for Sale after deducting their respective portion of the Offer related expenses. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. Other than the listing fees payable to the Stock Exchanges, all cost, fees and expenses in respect of the Offer will be borne by Company and Selling Shareholders on a pro rata basis, in proportion to the number of Equity Shares issued and allotted by the Company through the Fresh Issue and sold by each of the Selling Shareholders for sale through the Offer.

### Fresh Issue

The net proceeds of the Fresh Issue, i.e. gross proceeds of the Fresh Issue less the offer expenses apportioned to our Company (“**Net Proceeds**”) are proposed to be utilised in the following manner:

1. Funding capital expenditure towards setting up of a manufacturing facility at Saykha, Bharuch, Gujarat;
2. Funding incremental working capital requirements of our Company;
3. Repayment and/or pre-payment, in full and/or part, of certain borrowings of our Company; and
4. General corporate purposes.

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

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges and enhancement of our Company’s visibility and brand image and creation of a public market for our Equity Shares in India.

The main objects and the objects incidental and ancillary to the main objects of our Memorandum of Association enable our Company to undertake our existing business activities and to undertake the activities for which the funds are being raised in the Fresh Issue.

### Net Proceeds

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

Particulars	Amount (in ₹ million)
Gross proceeds from the Fresh Issue	up to 2,160.00
Less: Offer Expenses (only those apportioned to our Company) *	[●]
Net Proceeds**	[●]

\*See “- Offer Related Expenses” below.

\*\*To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

### Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the following table:

Particulars	Amount (₹ in million)
Funding capital expenditure towards setting up of a manufacturing facility at Saykha, Bharuch, Gujarat	1,049.69
Funding incremental working capital requirements of our Company	450.00

Particulars	Amount (₹ in million)
Repayment and/or pre-payment, in full and/or part, of certain borrowings of our Company	100.00
General corporate purposes. <sup>(1)</sup>	[●]
<b>Total Net Proceeds</b>	<b>[●]</b>

1) To be finalised upon determination of the Offer 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 from the Fresh Issue.

### Proposed schedule of Implementation

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

(₹ in million)						
S. No.	Particulars	Total Estimated cost	Funds already deployed till September 30, 2022	Amount to be funded from Net Proceeds	Amount to be deployed from the Net Proceeds in Fiscal 2023	Amount to be deployed from the Net Proceeds in Fiscal 2024
1.	Funding capital expenditure towards setting up of a manufacturing facility at Saykha, Bharuch, Gujarat	1,728.00	508.23	1,049.69	750.00	299.69
2.	Funding incremental working capital requirements of our Company	-	-	450.00	450.00	-
3.	Repayment and/or pre-payment, in full and/or part, of certain borrowings of our Company	-	-	100.00	100.00	-
4.	General corporate purposes*	[●]	-	[●]	[●]	[●]
<b>Total Net Proceeds</b>		<b>[●]</b>	<b>508.23</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

\*To be finalised upon determination of the Offer 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 from the Fresh Issue.

Given the dynamic 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, competitive environment and interest or exchange rate fluctuations and configuration of the project, increase in input costs of construction materials and labour costs, logistics and transport costs incremental preoperative expenses, taxes and duties, interest and finance charges, engineering procurement and construction costs, working capital margin, regulatory costs, environmental factors 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 compliance with applicable law. Moreover, 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 Fresh 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 cost of the Objects, business considerations may require us to explore a range of options including utilising our internal accruals, general corporate purposes 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

the Fresh Issue. To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects, per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent Fiscals towards the aforementioned Objects.

For further details of factors that may affect these estimates, see “*Risk Factors*” on page 31

## Details of the Objects

### 1. Funding capital expenditure towards setting up of a manufacturing facility at Saykha, Bharuch, Gujarat

As part of our strategy to expand our manufacturing operations through backward integration, we are in the process of setting up a new manufacturing facility and laboratory at Saykha, Bharuch, Gujarat (“**Proposed Facility**”) for manufacturing technical products and its intermediates which would be consumed internally by formulations plant as well as to be sold in the domestic as well as overseas markets. Our Company has also obtained certain regulatory approvals such as environment clearance from Ministry of Environment, Forest and Climate Change (Impact Assessment Division), Government of India, consent to establish (after obtaining environment clearance) under Water Act and Air Act from Gujarat Pollution Control Board, for the Proposed Facility. The Proposed Facility will help us to increase profit margin in our existing formulation products and help us to position our Company in manufacturing of technical and its intermediates. For further details, see “*Our Business – Key Strategies*” on page 158.

Our Board in its meeting dated January 18, 2022 took note that an amount of ₹ 1,049.69 million is proposed to be funded for capital expenditure towards setting up of the Proposed Facility; from the Net Proceeds. Our Company has received quotations from various suppliers for the plant and machineries required for the Proposed Facility and is yet to place any orders or enter into definitive agreements for purchase of such plant and machineries. Our Company intends to utilise 1,049.69 million from the Net Proceeds to purchase such plant and machineries.

#### *Land*

We aim to expand our manufacturing operations and production capacity for which we have acquired the land parcel of around 33,489.73 sq. mtrs. in the year 2021 on lease basis from Gujarat Industrial Development Corporation at Plot no. DP/ 154, Saykha Industrial Estate/ Area, survey no(s). 80/1/P, 81/P, village Saykha, Vagra, Bharuch (“**New Land**”). We have initiated the process of building for the Proposed Facility on the said New Land. Further, we have made arrangements for regular power and water supply at the Proposed Facility. For details, see “*Our Business*” on page 154.

#### *Means of finance*

The total estimated funds required for funding capital expenditure towards setting up of the Proposed Facility are approximately ₹1,728.00 million, as per Techno Economic Viability Study report dated September 2021 issued by Resurgent India Limited. The capital expenditure towards setting up of the Proposed Facility of ₹1,049.69 million will be met from the Net Proceeds and the balancing amount will be funded through new loan facility to be availed from the banks. Our Company has received a sanction letters for term loans dated July 26, 2021 and December 22, 2021 from HDFC Bank Limited and State Bank of India for ₹ 500.00 million each, respectively, towards funding capital expenditure for setting up of the Proposed Facility. Accordingly, we are in compliance with the requirements prescribed under Paragraph 9I(1) of Part A of Schedule VIII and Regulation 7(1)(e) of the SEBI ICDR Regulations which require firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue and existing identifiable internal accruals. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals. Further, as on September 30, 2022, our Company has deployed ₹508.23 million from internal accruals towards the capital expenditure towards setting up of the Proposed Facility.

We intend to fund the estimated cost for the proposed expansion as follows:

<b>Description</b>	<i>(in ₹ million)</i> <b>Amount</b>
Total estimated project cost (A)	1,728.00
(less) Expenses already incurred as of September 30, 2022 (B)	508.23

Description	Amount
Balance amount to be incurred(C) = (A-B)	1,219.77
Amount to be funded from Net Proceeds (D)	1,049.69
Funding required excluding the Net Proceeds (E) = (C- D)	170.08
Stated means of finance excluding the Net Proceeds (F) = 75% of (E)	127.56
Debt facility, i.e. term loan from HDFC Bank Limited	500.00
Debt facility, i.e. term loan from State Bank of India	500.00

Note:

(1) Total estimated cost as per Techno Economic Viability Study report dated September 2021 issued by Resurgent India Limited.

(2) As certified K A R M A & Co. LLP, Chartered Accountants, our Statutory Auditors, by way of their certificate dated November 1, 2022, the amount already deployed as on September 30, 2022 was funded from internal accruals by our Company.

The total estimated cost for setting up the Proposed Facility as per the Techno Economic Viability Study report dated September 2021 issued by Resurgent India Limited is as follows:

(₹ in million)						
Sr. No.	Particulars	Already incurred up to September 30, 2022*	To be incurred	Total	% share	
1.	Land and land development <sup>@</sup>	79.15	0.95	80.10	4.64	
2.	Factory shed	316.25	380.65	696.90	40.33	
3.	Plant and machinery – Indigenous	29.47	495.43	524.90	30.38	
	Plant and machinery – Imported	-	-	-	-	
4.	Electrification	0.00	49.10	49.10	2.84	
5.	Furniture and fixture and lab	0.00	38.30	38.30	2.22	
6.	Uility assets	0.16	153.64	153.80	8.90	
7.	Misc fixed assets	13.60	15.20	28.80	1.67	
8.	IDC	0.00	86.50	86.50	5.01	
9.	Margin money for working cap	69.60	-	69.60	4.03	
	<b>Total</b>	<b>508.23</b>	<b>1,219.77</b>	<b>1,728.00</b>	<b>100.00</b>	

@ Since it is incurred prior to 31st March 2021 and same is accounted for in balance sheet as at March 31, 2021, it is not included in Gross block of proposed project

\*As certified K A R M A & Co. LLP, Chartered Accountants, our Statutory Auditors, by way of their certificate dated November 1, 2022, the amount already deployed as on September 30, 2022 was funded from internal accruals by our Company

### Project Cost

A detailed break-up of such estimated project cost towards proposed capital expenditure which is proposed to be funded from the Net Proceeds is set out below:

The breakdown of such estimated costs along with details of the quotations or purchase orders we have received are set forth below:

Sr. No.	Description	Amount (₹ in million)	Name of the vendor	Date of quotation/ Purchase order	Validity
<b>FACTORY SHED</b>					
	Factory Shed	335.20	Om Construction	July 25, 2022	12 Months

Sr. No.	Description	Amount (₹ in million)	Name of the vendor	Date of quotation/ Purchase order	Validity
<b>TOTAL</b>		<b>335.20</b>			
<b>PLANT AND MACHINERY INDIGENOUS</b>					
1.	Metallic Tanks GAD of Plant – 1	42.01	Truetech Vision India Private Limited	September 14, 2022	6 Months
2.	Design and Supply of Storage Tank including 10KL Distilled Toluene Storage Tank, 10KL Toluene Storage Tank, 2.5KL NF ML Receiver Tank, 2KL MEG Condensate Receiver, 3KL MEG 2 <sup>nd</sup> Cut Receiver, 3KL Toluene Day Tank, 3KL Toluene Receiver, 10KL NF ML Receiver, 0.25 Distilled Phenol 1 <sup>st</sup> Cut Receiver, 1KL Caustic Lye Day Tank, 1KL MEG 1 <sup>st</sup> Cut Receiver, 2KL Distilled Phenol Main Cut Receiver, 0.25KL Catch Pot, 5KL Phenol + Toluene Tank	9.24	Chemsept Engineering	October 3, 2022	6 Months
3.	Glass Items	9.80	Goel Impex	September 28, 2022	Until December 30, 2022
4.	Design and Supply of Storage Tank including 20KL MEG Storage Tank, 20KL Acrylintryle Storage Tank, 20KL Triethyle Amine, 20KL CTC Storage Tank, 20KL Propyl Alcohol, 10KL Acetonitrile Storage, 30KL Benzaldehydestorage Tank, 40KL 48% Caustic Lye Storage Tank, 50KL Under Ground Hexane Storage Tank, 50KL Under Ground Hexane Storage Tank, 20KL Under Ground Toluene Storage Tank, 20KL Under Ground Methanol Storage Tank	32.13	ChemSept Engineering	October 3, 2022	6 months
5.	Design and Supply of Storage Tank including 2KL MPBAD Day Tank, 2KL CMAC Day Tank, 2KL Hexane Condensate Receiver, 2KL Condensate Receiver, 3KL PMB PMBC Day Tank, 2KL Condensed Hexane Tank, 0.5KL Condensed Hexane Receiver, 2KL MPBAD Day Tank, 2KL CMAC Day Tank, 2KL Hexane Condensate Receiver, 1KL Condensed Hexane Receiver, 1 Hexane Receiver, 4KL MPBAL Day Tank, 4KL CMAC Day Tank, 4KL CMAC Day Tank, 4KL IPA Day Tank, 4KL TEA I/C Receiver, 4KL Hexane Day Tank, 10KL Crude CM Receiver and 10KL Crude CM Receiver	9.48	ChemSept Engineering	October 3, 2022	6 months
6.	Design and Supply of Storage Tank including 2KL ML Storage Tank, 8KL TEA Main Cut Receiver, 10KL Crude CM Receiver, 20KL TEA HCL Aqueous Layer Collection Tank, 7KL Hexane 1 <sup>st</sup> Cut Hold Tank, 1KL Hexane 2 <sup>nd</sup> Cut Hold Tank, 2KL TMCPAC Day Tank, 0.25KL Catch Pot, 0.25KL Catch Pot, 0.25KL Catch Pot, 0.25KL Catch Pot, 10KL CMAC Storage Tank, 6KL Recover Hexane Hold Tank, 10KL MPBAD Storage Tank	12.15	ChemSept Engineering	October 3, 2022	6 months
7.	Rotary Vacuum Paddle Dryer (RVPD Setup)	8.25	Economy Process Solutions Private Limited	October 11, 2022	180 days
8.	Spiral wound HDPE Chemical Storage Tank	7.46	Chemcare	October 14,	180 days

Sr. No.	Description	Amount (₹ in million)	Name of the vendor	Date of quotation/ Purchase order	Validity
			Industries	2022	
9.	Steam Jet and Water Jet Ejector Combination Vacuum Systems	5.44	Mazda Limited	August 28, 2022	-
10.	Steam Jet and Water Jet Ejector Combination Vacuum Systems	4.95	Mazda Limited	August 28, 2022	-
11.	Steam Jet and Water Jet Ejector Combination Vacuum Systems	3.32	Mazda Limited	August 28, 2022	-
12.	Metallic Heat Exchanger for Primary Condenser, Primary Condenser for PMT (Atmospheric Distillation Reactor), Secondary Condenser CM (Atmospheric) Distillation, Secondary Condenser CM (Atmospheric) Distillation, Secondary Condenser for PMT (Atmospheric Distillation Reactor), Primary Condenser CM (Vacuum) Distillation, Primary Condenser for PMT (Vacuum Distillation Reactor), Primary Condenser for PMT ML, Primary Condenser for Alpha (Vacuum Distillation Reactor), ML Concentrator Reactor Primary Condenser, Secondary Condenser CM (Vacuum) Distillation, Secondary Condenser for PMT (Vacuum Distillation Reactor), Secondary Condenser for PMT ML, Secondary Condenser for Alpha (Vacuum Distillation Reactor), ML Concentrator Reactor Secondary Condenser, RVD Primary Condenser, TEA Recovery Primary Condenser, Primary Condenser for TEA Fractionator, RVD Primary Condenser, Primary Condenser for Alpha (Atmospheric Distillation Reactor), Secondary Condenser for Alpha (Atmospheric Distillation Reactor), Primary condenser (vacuum), Secondary condenser (vacuum), TEA Recovery Secondary Condenser	5.56	Kinam Engineering Industries	August 8, 2022	-
13.	Metallic Heat Exchanger for Hexane Scrubber Tall Condenser, Inline Hexane Scrubber Cooler, TEA Recovery Primary Condenser, TEA Fractionation Primary Condenser, NaCMA Preparation Condenser, Reactor Condenser, Hexane Distillation Primary Condenser, FFE Primary Condenser, CMA Concentration Primary Condenser, Hexane Distillation Secondary Condenser, FFE Secondary Condenser, CMA Concentration Secondary Condenser, 2-CB Preparation Primary Condenser, 2-CB Preparation Secondary Condenser, FFE Primary Condenser, FFE Secondary Condenser, Feed Cup Distillation Primary Condenser, Feed Cup Distillation Secondary Condenser and TEA Recovery Secondary Condenser	5.84	Kinam Engineering Industries	August 7, 2022	-
14.	Metallic Heat Exchanger for MEG+Water Recovery Condenser, MEG Recovery Condenser, KCI Recovery Primary Condenser, KCI Recovery Secondary Condenser, Phenol+Toluene Recovery Primary Condenser, Phenol+Toluene Recovery Secondary Condenser and Phenol (Distillation) Condenser	1.89	Kinam Engineering Industries	August 7, 2022	-
15.	Metallic Heat Exchanger for K-Phenate	4.22	Kinam	August 6,	-

Sr. No.	Description	Amount (₹ in million)	Name of the vendor	Date of quotation/ Purchase order	Validity
	Preparation Primary Condenser, K-Phenate Preparation Secondary Condenser, Toluene Recovery Primary Condenser, Toluene Recovery Secondary Condenser, Primary Condenser and Secondary Condenser		Engineering Industries	2022	
16.	Graphite Heat Exchanger for EDC Recovery Primary Condenser, EDC Recovery Secondary Condenser, MBB Distillation Condenser, TBN Preparation Primary Condenser, TBN Preparation Secondary Condenser, TBN Distillation Primary Condenser, TBAC Distillation Primary Condenser, NaCMA Neutralization Condenser, CMA Distillation Condenser	12.15	Graphite India Limited	August 26, 2022	-
17.	SS Vessel for Plant – 2 including 2-CB Preparation Reactor, Hexane Collection & CMA Concentration Reactor, 4-CB Droawning & Work up Reactor, NaCMA Preparation Reactor, Feed cup Distillation Reactor, TEA Addition Tank, NaHCO3 Preparation Tank, NaHCO3 Solution Addition Tank, Feed Tank for FFE, 2-CB Hold Up FFE Feed Tank and Organic Layer Holding Tank	44.21	Unimech Industries	August 14, 2022	-
18.	SS Vessel for Recovery Plant including MEG Recovery Reactor, MEG ML Treatment Reactor and MEG Recovery Reactor	5.50	Unimech Industries	August 14, 2022	-
19.	SS Vessels for Plant – 1 including MBBA Preparation Reactor, K-Phenate/MPBA Preparation Reactor, MPBA Workup Reactor, Toluene Recovery Reactor and MPB Fractional Distillation Reactor	24.48	Unimech Industries	July 31, 2022	-
20.	MS Vessel for Plant-3 – CM/FEN/ALFA/LAMBDA/Aqueous detoxification Reactor	4.80	FEDA Inc	September 14, 2022	-
21.	MSRL Vessel – NaCAM Neutralization Reactor for Plant – 2	4.95	FEDA Inc	August 26, 2022	-
22.	Agitator Reactor for Plant – 3 including Alpha Vaccume Distillation Reactor, Alpha Atmospheric Distillation Reactor, FEN (Vaccume) Distillation Reactor, CM (Vaccume) Distillation Reactor, Alpha ML Concentrator Reactor, PMT Vaccume Distillation, FEN Atmospheric Distillation Reactor, CM Atmospheric Distillation, TEA Fractionation Reactor, Lambda Mixing reactor, Alpha Mixing reactor, CM Mixing Reactor, TEA recovery, Lambda Isomerisation work up, Alpha Isomerisation work up, Lambda Preparation Reactor, Alpha Preparation, Aqueous Extraction, FEN Preparation, CM Preparation – 2, CM Preparation – 1, PMT Work up Reactor, BF Work up Reactor Crystalizer, CM/ Fen Aqueous Detofixation Reactor	20.39	FEDA Inc	August 14, 2022	-
23.	Agitator Reactor for Plant – 2 including Feed cup distillation reactor, CMA Aquos Layer Crystallizer, Hexane collection & CMA Concentration reactor, TEA	13.43	FEDA Inc	August 13, 2022	-

Sr. No.	Description	Amount (₹ in million)	Name of the vendor	Date of quotation/ Purchase order	Validity
	Fractionation Reactor, Hexane Distillation, TEA recovery, NaCMA Preparation, 4 CB Drowning, 2-CB Preparation reactor, FEED Tank for FFE, 2-CB Hold-up, NaHCO <sub>3</sub> Solution Addition tank, TEA Addition Tank, Organic Hold up, TEA Recovery, Reactor for NaCMA Neutrilization				
24.	SS Vessels including Solvant Recovery Reactor, TEA Fractionation Reactor, CMA Aquos Layer Crystallizer, CM (Vaccume) Distillation Reactor, FEN (Vaccume) Distillation Reactor, Alpha Atmospheric Distillation Reactor, Alpha Vaccume Distillation Reactor and Phenol + EDC Distillation Reactor	12.93	FEDA Inc	July 31, 2022	-
25.	Agitator for Recovery plant including MEG Recovery Reactor, MEG ML Treatment Reactor, MEG Recovery Reactor, Phenol + Distillation Reactor and Phenol Distillation Reactor	2.11	FEDA Inc	July 22, 2022	-
26.	Agitator for Plant – 1 including MBBA Preparation Reactor, K-Phenate/MPBA Preparation Reactor, MPBA Workup Reactor, Toluene Recovery Reactor and MPB Fractional Distillation Reactor	6.77	FEDA Inc	July 21, 2022	-
27.	SS Vessel	28.63	ChemSept Engineering Private Limited	August 13, 2022	-
28.	Agitated Nutsche Filter for Ammonium Chloride Salt Filtration and Alpha/Lambda	8.75	HLE Glascoat Limited	August 31, 2022	-
29.	Agitated Nutsche Filter for MEG Recovery Reactor Outlet Slurry Filter, CMA Organic layer crystallizer outlet slurry and Sodium Sulphite Salt Filtration & KCl Recovery Reactor Outlet Slurry Filter PMT/BF(35401)	27.50	HLE Glascoat Limited DN	August 31, 2022	-
30.	MSGL Reactors for Plant – 1 – MS Glass Lined 6.3 KL CE DMS Type Reactor, MS Glass Lined 10 KL CE SMS Type Reactor, MS Glass Lined 10 KL CE DMS Type Reactor, MS Glass Lined 12.5 KL CE DMS Type Reactor, MS Glass Lined 20 KL CE DMS Type Reactor, MS Glass Lined 1 KL CE Vertical Un-Jacketed Tank, MS Glass Lined 2 KL CE Vertical Un-Jacketed Tank, MS Glass Lined 2.5 KL CE Vertical Un-Jacketed Tank, MS Glass Lined 5 KL CE Vertical Un-Jacketed Tank, MS Glass Lined 8000 Liter Un-Jacketed, MS Glass Lined 10 KL CE Vertical Un-Jacketed Tank	58.05	HLE Glascoat Limited	March 9, 2022	-
31.	MSGL Reactors for Plant – 2 – MS Glass Lined 6.3 KL CE SMS Type Reactor, MS Glass Lined 6.3 KL CE DMS Type	48.88	HLE Glascoat Limited	March 10, 2022	-



Sr. No.	Description	Amount (₹ in million)	Name of the vendor	Date of quotation/ Purchase order	Validity
	Reactor, MS Glass Lined 5 KL CE DMS Type Reactor, MS Glass Lined 10 KL CE DMS Type Reactor, MS Glass Lined 12.5 KL CE DMS Type Reactor, MS Glass Lined 16 KL CE DMS Type Reactor, MS Glass Lined 500 Lit. CE Vertical Un-Jacketed Tank, MS Glass Lined 1 KL CE Vertical Un-Jacketed Tank, MS Glass Lined 2 CE Vertical Un-Jacketed Tank, MS Glass Lined 3 CE Vertical Un-Jacketed Tank, MS Glass Lined 4 KL CE Vertical Un-Jacketed Tank, MS Glass Lined 5 KL CE Vertical Un-Jacketed Tank, MS Glass Lined 6.3 KL CE Vertical Un-Jacketed Tank, MS Glass Lined 10 KL CE Vertical Un-Jacketed Tank and MS Glass Lined 20 KL CE Vertical Un-Jacketed Tank				
32.	MSGL Reactors for Plant – 3 including MS Glass Lined 12.5 KL CE SMS Type Reactor, MS Glass Lined 5 KL CE DMS Type Reactor, MS Glass Lined 1 CE Vertical Un-Jacketed Tank and MS Glass Lined 2 CE Vertical Un-Jacketed Tank	7.25	HLE Glascoat Limited	March 10, 2022	-
33.	MSGL Reactors for Plant-Recovery GLR including MS Glass Lined 16 KL CE DMS Type Reactor, MS Glass Lined 5 KL CE DMS Type Reactor, MS Glass Lined 10 KL CE SMS Type Reactor, MS Glass Lined 12.5 KL CE SMS Type Reactor and MS Glass Lined 12.5 KL CE DMS Type Reactor	14.33	HLE Glascoat Limited	March 10, 2022	-
34.	IB Mounded Storage Tank 19.9KL, Safety Fitting Set for IB Storage Tank, Pump, Safety Fitting and Control Valve, Decanting hose with end fittings, Pressure Regulating System, Cathodic Protection for IB Tank, Painting, Remote Operated Valve, Gas Leakage Deductor, High Level Switch, Level Transmitter, Work Contract Service	5.40	Krison Engineering Works	September 1, 2022	-
35.	Falling film evaporator	7.93	Economy Process Solutions Pvt Ltd	September 30, 2022	-
36.	Bromine Recovery System with Plant Capacity: 2,500kg/day and Works Contract Service	3.78	Goel Impex Works	October 5, 2022	-
<b>TOTAL</b>		<b>523.96</b>			
<b>UTILITY ASSETS</b>					
37.	Counter Flow Cooling Tower	7.72	Himgiri	September 14, 2022	6 Months
38.	Combipac Boiler – 22 TPH (F&A 100)/12.5kg/cm <sup>2</sup> (g)(Operating Pressure) Fuel: Indonesian Coal	98.90	Thermax Limited	October 17, 2022	90 days
39.	Techno commercial offer for water cooled	31.00	DB Engineers	August 18,	3 Months

Sr. No.	Description	Amount (₹ in million)	Name of the vendor	Date of quotation/ Purchase order	Validity
	screw chiller - Positive temperature chiller 200 TR, Positive temperature chiller 300 TR, Brine Chiller 200 TR, Brine Chiller 300 TR, Testing and Commission charges			2022	
40.	PTFE Valves	9.44	UNP Polyvalves India Private Limited	September 13, 2022	6 Months
<b>TOTAL</b>		<b>147.06</b>			
<b>ELECTRIFICATION</b>					
41.	Instrumentation and Automation	44.30	Filtronics Systems	October 6, 2022	6 Months
<b>TOTAL</b>		<b>44.30</b>			
<b>FURNITURE AND FIXTURE AND LAB</b>					
42.	Factory Lab Building at Sayakha GIDC Interior – Flooring, Toilets, Electrical with lighting, camera and wifi, false ceiling, air conditioning system, partition, chairs, paint/polishing. Reception, HOD office, meeting room, sample room, instrument room, glassware room, chemical, UPH, equipment area	7.23	DEE Design	September 10, 2022	6 Months
<b>TOTAL</b>		<b>7.23</b>			
<b>MISC FIXED ASSETS</b>					
43.	Weighbridge – Supply of Weighbridge 60 MT Capacity Pit; Less Type 16M x 3M – 1 No; Design & Engineering of Weighbridge 3.0782 GD Load Cells ( 30 Ton Column Compression Type ) with Mounting Assembly – 8 Nos.; Display Terminal IND235 – 1 No.; Junction Box – 1 Set; Complete Weighbridge Platform Assembly – 1 Set; Longitudinal Stops – 1 Set; Standard Control Cabling; Standard Data Bridge™ SS ® Software; Supervision of Erection, Site installation, calibration / testing and commissioning of Weighbridge; Stamping Certificate in your Scope; Foundation Kit; Standard of Material of Construction –IS 2062 grade; Verification Interval "e" Value or Minimum Graduation ---- 10 Kgs	1.52	Mettler Toledo India Private Limited	February 14, 2022	-
<b>TOTAL</b>		<b>1.52</b>			
<b>TOTAL</b>		<b>1,059.27</b>			

All quotations received from the vendors mentioned above are valid as on the date of this Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or provide the service at the same costs. If there is any increase in the costs of equipment, the additional costs shall be paid by our Company from its internal accruals and general corporate purposes. The quantity of equipment to be purchased is based on the present estimates of our management. Our Company shall have the flexibility to deploy such equipment according to the business requirements of such facilities and based on the estimates of our management. The actual mode of deployment has not been finalised as on the date of this Red Herring Prospectus. For further details, see “Risk Factors – Our management will have broad discretion in how we apply the Net Proceeds and there is no assurance that the Objects of the Offer will be achieved within the time frame expected, or at all, or that the deployment of Net Proceeds in the manner intended by us will result in any increase in the value of your investment.”

Orders for purchase of the machinery / equipment worth ₹ 394.96 million, as provided above, have been placed as on the date of this Red Herring Prospectus. No second-hand or used machinery is proposed to be purchased out of the Net Proceeds. Each of the units mentioned above is proposed to be acquired in a ready-to-use condition. Our Promoters, Directors and Key Managerial Personnel do not have any interest in the proposed construction of building and civil works, acquisition of plant and machinery, utilities, or in the entities from whom we have obtained quotations in relation to such activities.

### Contingencies

The Company envisages that there might be price fluctuations and the currently estimated project cost may increase on account of factors beyond our control, including increase in cost of machinery and associated transportation or other charges or taxes. The total estimated cost for contingencies is ₹ 104.97 million which is 10% of the amount proposed to be funded from the Net Proceeds for setting up the Proposed Facility

### Loans availed for the project

Our Company has availed loans to finance the project. The details of the financing arrangements entered into by our Company are as follows:

Sr. No.	Particulars	Amount sanctioned (₹ in million)
1.	Sanction letter dated July 26, 2021 received from HDFC Bank Limited for availing a term loan.	500.00
2.	Sanction letter dated December 22, 2021 received from State Bank of India for availing a term loan.	500.00

### 2. Funding incremental working capital requirements of our Company

We fund a majority of our working capital requirements in the ordinary course of business from various banks and internal accruals. As on September 30, 2022, the outstanding amount under the fund based working capital facilities of our Company was ₹ 143.22 million and there was no outstanding amount under non-fund based facilities availed by our Company. For details, see “*Financial Indebtedness*” beginning on page 274.

In light of the proposed expansion and in order to support the incremental business requirements, our Company requires additional working capital for funding its incremental working capital requirements in Fiscal 2023. The funding of the incremental working capital requirements of our Company will lead to a consequent increase in our profitability and achieving the proposed targets as per our business plan.

#### Basis of estimation of incremental working capital requirement

We propose to utilise ₹ 450.00 million from the Net Proceeds to fund the long-term working capital requirements of our Company in Fiscal 2023. The balance portion of our long-term working capital requirement will be arranged from existing equity, internal accruals and borrowings from banks and financial institutions.

The details of our Company’s working capital as at four months period ended July 31, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020 and the source of funding, derived from the Restated Financial Statements, are provided in the table below:

Particulars	(₹ in million)			
	Four months period ended July 31, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
<b>Current Assets</b>				
Inventories	810.76	628.78	435.75	276.11
Trade Receivables	1,455.30	859.82	361.82	333.29
Cash and cash equivalent	9.45	9.52	9.53	2.99
Other financial and current assets	51.80	39.83	23.23	4.41
<b>Total current assets (A)</b>	<b>2,327.31</b>	<b>1,537.95</b>	<b>830.33</b>	<b>616.80</b>
<b>Current Liabilities</b>				

Particulars	Four months period ended July 31, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Trade Payables	1,410.74	913.70	391.27	332.04
Other current liabilities and provisions	64.61	36.80	44.24	23.54
<b>Total current liabilities (B)</b>	<b>1,475.35</b>	<b>950.50</b>	<b>435.51</b>	<b>355.58</b>
<b>Total working capital requirements (A-B)</b>	<b>851.96</b>	<b>587.45</b>	<b>394.82</b>	<b>261.22</b>
<b>Funding pattern</b>	<b>851.96</b>	<b>587.45</b>	<b>394.82</b>	<b>261.22</b>
Internal accruals	700.87	471.33	278.04	110.68
Borrowings from banks, financial institutions and non-banking financial companies (including bill discounting)	151.09	116.12	116.78	150.54

*Note: Pursuant to the certificate dated November 1, 2022, issued by the Statutory Auditors*

On the basis of our existing and estimated working capital requirements, our IPO Committee, pursuant to their resolution dated November 1, 2022, has approved the business plan for the Fiscal 2023 as stated below:

Particulars	(₹ in million) Fiscal 2023
<b>Current Assets</b>	
Inventories	693.44
Trade Receivables	828.40
Cash and Cash Equivalents	20.90
Other financial and current assets	287.04
<b>Total current assets (A)</b>	<b>1,829.78</b>
<b>Current Liabilities</b>	
Trade Payables	440.28
Current liabilities	163.69
<b>Total current liabilities (B)</b>	<b>603.96</b>
<b>Total working capital requirement (A-B)</b>	<b>1,225.82</b>
<b>Funding pattern</b>	
Borrowings from banks, financial institutions and non-banking financial companies (including bill discounting)	-
Internal accruals	775.82
<b>Total</b>	<b>775.82</b>
Working Capital Gap	450.00
Working Capital Gap to be funded by IPO	450.00

*Note: Pursuant to the certificate dated November 1, 2022, issued by the Statutory Auditors*

The table below contains the details of the holding levels (in number of days or relevant matrix as applicable) considered and is derived from the Restated Financial Information for Fiscal 2020, Fiscal 2021 and Fiscal 2022 and for the four months ended July 31, 2022, the projections for, Fiscal 2023 and the assumptions based on which the working plan projections has been made and approved by our Board of Directors:

Particulars	Fiscal 2020 (Actuals)	Fiscal 2021 (Actuals)	Fiscal 2022 (Actuals)	Fiscal 2023 (Estimates)
<b>Inventory days</b>				
Raw Materials	27	28	27	24
Stock In Progress	-	9	15	12

Particulars	Fiscal 2020 (Actuals)	Fiscal 2021 (Actuals)	Fiscal 2022 (Actuals)	Fiscal 2023 (Estimates)
Finished goods	30	13	16	14
<b>Trade receivables days</b>	61	44	80	60
<b>Trade payable days</b>	78	60	85	32

Note: Pursuant to the certificate dated November 1, 2022, issued by the Statutory Auditors

Key assumptions for working capital projections made by our Company:

Particulars	Assumptions
Inventories	Inventory levels are maintained by our Company depending upon the demand and delivery schedules. Historically our Company had Inventory turnover ratio ranging from 27 days to 24 days for raw materials, ranging between 15 days to 12 days for stock in progress and between 16 days to 14 days for finished goods. We are anticipating that the same will be 24 days, 12 days and 14 days for raw materials, stock in progress and finished goods respectively from Fiscal 2023 onwards by focusing on rationalizing our inventory management to meet our future requirement.
Trade receivables	This is based on the average standard payment terms across our customers. Our Company's general credit terms vary across geographies and type of customer, and our assumptions are based on past trends. Historically our Company had trade receivables days of 80 days for Fiscal Years 2022. We are anticipating decline in trade receivable days to 60 days from Fiscal 2023 onwards on account of good long-standing customer relationships.
Trade payables	This is based on the standard payment terms of our vendors. Historically our Trade Payables days were 85 days for the Fiscal Year 2022 and we anticipate the same to reduce to 32 days for Fiscal 2023.

Note: Pursuant to the certificate dated November 1, 2022, issued by the Statutory Auditors

The aforementioned working capital estimates and projections have been approved by the IPO Committee through their resolution dated November 1, 2022.

### 3. Repayment and/or pre-payment, in full and/or part, of certain borrowings of our Company

Our Company has entered into various financial arrangements from time to time, with banks and financial institutions. The outstanding loan facilities entered into by our Company include borrowing in the form of, *inter alia*, term loans and working capital facilities. For further details, see "*Financial Indebtedness*" on page 274. Our Company propose to utilise an estimated amount of ₹100.00 million from the Gross Proceeds towards part or full repayment and/or pre-payment of certain borrowings availed by us. Our Company may avail further loans and/ or draw down further funds under existing loans from time to time.

The selection of borrowings proposed to be repaid or prepaid or redeemed (earlier or scheduled) out of the borrowings provided below, will be based on various factors, including (i) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of, such conditions, (ii) receipt of consents or waivers for prepayment from respective lenders, the terms and conditions of such consents and waivers, and the levy of any prepayment penalties and the quantum thereof, (iii) provisions of any laws, rules and regulations governing such borrowings and presence of other onerous conditions, and (iv) other commercial considerations including, among others, the interest rate on the outstanding borrowing, the amount of the outstanding borrowing and the remaining tenor of the borrowing.

Given the nature of these borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under these borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, levy of any prepayment penalties and the quantum thereof, repay or refinance some of their existing borrowings prior to Allotment or avail of additional credit facilities. Further, the outstanding borrowing amounts may vary from time to time. In light of the above, at the time of filing the Red Herring Prospectus, the table below shall be suitably updated to reflect the revised amounts or loans as the case may be which have been availed by us. Accordingly, our Company may utilise the Net Proceeds for part prepayment of any such refinanced facilities or repayment of any additional facilities obtained by our Company. However, the aggregate amount to be utilised from the Net Proceeds towards repayment and/or prepayment, in part or full, of certain borrowings (including refinanced or additional facilities availed, if any), would not exceed ₹ 100.00

million. In light of the above, at the time of filing the Red Herring Prospectus, the table below shall be suitably updated to reflect the revised amounts or loans, as the case may be.

We believe that such repayment and/or pre-payment will help reduce our outstanding indebtedness on a consolidated basis, debt servicing costs improve our debt to equity ratio and enable utilisation of our accruals for further investment in our business growth and expansion. Additionally, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

The following table provides the details of outstanding borrowings availed of by our Company which are proposed to be repaid or prepaid, in full or in part, from the Net Proceeds:

S. No.	Name of the borrower	Name of the lender	Nature of borrowing	Rate of Interest %	Tenure	Amount of sanctioned (in ₹ million)	Principal amount outstanding as at September 30, 2022	Interest Rate % of borrowings taken as on September 30, 2022	Re-payment date/ Schedule	Pre-payment penalty	Purpose*
1.	Dharmaj Crop Guard Limited	HDFC Bank Limited	HDFC Bank Term Loan for 410 - 411	8.05%	60 months	120.00	74.80	8.95%	7 <sup>th</sup> every month	-	Term loan for construction and machinery
2.	Dharmaj Crop Guard Limited	HDFC Bank Limited	GECL Term Loan Account	8.25%	48 months	29.50	21.24	9.20%	7 <sup>th</sup> every month	-	For working capital
3.	Dharmaj Crop Guard Limited	HDFC Bank Limited	Cash Credit Facility	8.25%	-	227.50	143.22	8.70%	N.A.	-	For working capital
4.	Dharmaj Crop Guard Limited	HDFC Bank Limited	GECL Term Loan Account	9.25%	60 months	23.20	23.20	9.25%	N.A.	-	For working capital
5	Dharmaj Crop Guard Limited	State Bank of India	Term Loan Account	8.20%	84 months	500.00	121.94	8.20%	Last day of month	-	Term loan for construction and machinery
6.	Dharmaj Crop Guard Limited	HDFC Bank Limited	Term Loan Account	7.80%	96 months	500.00	170.96	8.20%	7 <sup>th</sup> every month	-	Term loan for construction and machinery
<b>Total</b>						<b>1,400.20</b>	<b>555.36</b>				

*\*In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, the Company has obtained a certificate dated November 1 from the Statutory Auditor certifying that the borrowings have been utilised towards the purposes for which such borrowings were availed.*

Some of the abovementioned financing facilities provide for the levy of prepayment penalty. Given the nature of borrowing and the terms of prepayment, the aggregate outstanding loan amounts may vary from time to time. In the event that there are any prepayment penalties required to be paid under the terms of relevant financing agreement, such prepayment penalties shall be paid by our Company out of the net proceeds. We will take such provisions also into consideration while deciding repayment and/ or pre-payment of loans from the Net Proceeds.

In case we are unable to raise the Offer Proceeds till the due date for repayment of any of the above mentioned portion of the loans, the funds earmarked for such repayment may be utilised for payment of future instalments of the above mentioned loan or other loan for an amount not more than the amount mentioned above.

The amounts outstanding under the borrowing facilities may be dependent on various factors and may include repayments and drawdowns. Accordingly, it may be possible that amount outstanding under the borrowing facilities may vary from time to time. We may, from time to time, repay, refinance, enter into further financing arrangements or draw down funds from any such existing borrowing facilities. In such event, we may utilise the Net Proceeds towards repayment/prepayment of any existing or additional indebtedness which will be selected based on various commercial considerations including, among others, the interest rate on the borrowing facility, the amount of the borrowing outstanding and the remaining tenor of the borrowing, any conditions attached to the borrowings restricting the ability to pre-pay/repay/redeem the borrowings, receipt of consents for prepayment from the respective lenders terms and conditions of consents and waivers, presence of onerous terms and conditions under the facility, other commercial considerations and applicable law governing such borrowings.

For the purposes of the Offer, our Company has intimated and has obtained necessary consents from its lenders, as is required under the relevant facility documentation for undertaking activities in relation to this Offer, including consequent actions, such as change in the capital structure, change in shareholding pattern of our Company, amendment to the Articles of Association of our Company, etc.

The Net Proceeds of the Offer utilised for prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company are not being indirectly routed to the Promoters, members of the Promoter Groups, Group Company and associates.

#### **4. General Corporate Purposes**

The Net Proceeds will first be utilised for the objects as set out above. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds towards our general corporate purposes, as approved by our management, from time to time, subject to such utilisation for general corporate purposes not exceeding 25% of the Fresh Issue, in compliance with the SEBI ICDR Regulations.

Such general corporate purposes may include, but are not restricted to, the following:

- a. funding growth opportunities;
- b. servicing our repayment obligations (principal and interest) under our existing & future financing arrangements;
- c. capital expenditure, including towards expansion/development/refurbishment/renovation of our assets;
- d. working capital;
- e. meeting expenses incurred by our Company in the ordinary course of business or other uses or contingencies; and/or
- f. strategic initiatives.

The allocation or quantum of utilisation of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of the Board, shall have the flexibility in utilising surplus amounts, if any.

#### **Offer Related Expenses**

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The expenses of this Offer include, among others, listing fees, selling commission and brokerage, fees payable to the BRLMs, fees payable to legal counsel, fees payable to the Registrar to the Offer, Escrow Collection Bank(s) and Sponsor Bank to the Offer, processing fee to the SCSBs for processing application forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising



and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

All Offer expenses will be shared, upon successful completion of the Offer, between our Company and the Selling Shareholders on a pro-rata basis (except any corporate advertisements (other than the expenses relating to marketing and advertisements undertaken in connection with the Offer), listing fees, the audit fees of the statutory auditors that will be paid by the Company), in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Selling Shareholders in the Offer for Sale, respectively, subject to applicable law including Section 26(3) of the Companies Act and irrespective of the success of the Offer. Any expenses paid by our Company on behalf of the Selling Shareholders in the first instance will be reimbursed to our Company, by the Selling Shareholders to the extent of its respective proportion of Offer related expenses, directly from the Public Offer Account.

**The estimated Offer expenses are as follows:**

(₹ in million)

Activity	Estimated expenses*	As a% of the total estimated Offer expenses	As a% of the total Offer size
Fees payable to the BRLMs	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Brokerage and selling commission payable to SCSBs, Registered Brokers, RTAs and CDPs, as applicable <sup>(1)</sup>	[●]	[●]	[●]
Processing fees to the SCSBs and to the Sponsor Bank for ASBA Forms procured by Registered Brokers, RTAs or CDPs <sup>(2)</sup>	[●]	[●]	[●]
Printing and distribution of issue stationery	[●]	[●]	[●]
Fees to regulators, including stock exchanges	[●]	[●]	[●]
Others	[●]	[●]	[●]
a) Book building, listing fees and other regulatory expenses;			
b) Fees payable to legal counsel; and			
c) Miscellaneous.			
<b>Total estimated Offer expenses</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

\* Offer expenses include goods and services tax, where applicable. Offer expenses will be incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.

1. Selling commission payable to the SCSBs on the portion for RIBs and Non-Institutional Bidders which are directly procured and uploaded by the SCSBs, would be as follows:

Portion for Retail Individual Bidders	0.35% of the Amount Allotted* (plus applicable taxes)
Portion for Eligible Employees	0.15% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders	0.15% of the Amount Allotted* (plus applicable taxes)

\* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

2. No additional processing fees / selling commission shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.
3. SCSBs will be entitled to a processing fee for processing the ASBA Form procured by the members of the Syndicate (including their sub-syndicate members), CRTAs or CDPs from Retail Individual Investors, Eligible Employees and Non-Institutional Bidders (excluding UPI Bids) and submitted to the SCSBs for blocking as follows:

Portion for Retail Individual Investors*	₹10/- per valid ASBA Forms (plus applicable taxes)
Portion for Eligible Employees*	₹10/- per valid ASBA Forms (plus applicable taxes)
Portion for Non-Institutional Investors*	₹10/- per valid ASBA Forms (plus applicable taxes)

\*Based on valid ASBA Forms

Processing fees payable to the SCSBs for capturing Syndicate Member/Sub-syndicate (Broker)/Sub-broker code on the ASBA Form for Non- Institutional Bidders and QIB Bidders with bids above ₹500,000 would be ₹10 plus applicable

taxes, per valid application

4. Selling commission on the portion for RIBs (up to ₹ 200,000) using the UPI mechanism, Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & company account provided by some of the brokers which are members of Syndicate (including their Sub-Syndicate Members) would be as follows:

Portion for RIBs	0.35% of the Amount Allotted* (plus applicable taxes)
Portion for Eligible Employees	0.15% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders	0.15% of the Amount Allotted* (plus applicable taxes)

\* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined:

- For RIBs & NIBs (up to Rs 5 lakhs) on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.
- For NIBs (Bids above Rs 5 lakhs) on the basis of the Syndicate ASBA Form bearing SM Code & Sub-Syndicate Code of the application form submitted to SCSBs for Blocking of the Fund and uploading on the Exchanges platform by SCSBs. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the Syndicate / Sub Syndicate members and not the SCSB.

The payment of selling commission payable to the sub-brokers / agents of sub-syndicate members are to be handled directly by the respective sub-syndicate member.

The selling commission payable to the CRTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE.

5. Uploading Charges:

- payable to members of the Syndicate (including their sub-Syndicate Members), on the applications made using 3-in-1 accounts, would be: ₹ 10 plus applicable taxes, per valid application bid by the Syndicate member (including their sub-Syndicate Members),
- Bid Uploading charges payable to the SCSBs on the portion of QIB and Non-Institutional Bidders (excluding UPI Bids) which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking and uploading would be: ₹ 10 per valid application (plus applicable taxes)

The selling commission and bidding charges payable to Registered Brokers the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Selling commission/ uploading charges payable to the Registered Brokers on the portion for RIBs (up to ₹ 200,000) procured through UPI Mechanism and Non Institutional Bidders which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

Portion for RIBs*	₹ 10 per valid application (plus applicable taxes)
Portion for Eligible Employees	₹ 10 per valid application (plus applicable taxes)
Portion for Non-Institutional Bidders*	₹ 10 per valid application (plus applicable taxes)

\* Based on valid applications

6. Uploading charges/ Processing fees for applications made by RIBs (up to ₹ 200,000) and Non-Institutional Bidders (for an amount more than ₹ 200,000 and up to ₹ 500,000) using the UPI Mechanism would be as under:

Members of the Syndicate / RTAs / CDPs (uploading charges)	₹ 10 per valid application (plus applicable taxes)
Sponsor Bank (Processing fee) – Axis Bank Limited	₹ 4 per valid application (plus applicable taxes)
	The Sponsor Bank shall be responsible for making payments to the third parties such as remitter company, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws

Sponsor Bank (Processing fee) – HDFC Bank Limited	<p>₹ 3 plus taxes per successful applicant</p> <p>The Sponsor Banks shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other applicable laws</p>
---	---

Notwithstanding anything contained above the total processing / uploading / bidding charges under above clauses payable to Syndicate/ Sub Syndicate members, SCSBs, RTAs, CDPs, Registered Brokers will not exceed ₹ 3 million (plus applicable taxes) and in case if the total uploading / bidding charges exceeds ₹ 3 million (plus applicable taxes) then uploading charges will be paid on pro-rata basis except the fee payable to respective Sponsor Bank.

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement.

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the company accounts of investors (all categories). Accordingly, Syndicate / Sub-Syndicate Member shall not be able to Bid Application Form above Rs. 5 lakhs and the same Bid Application Form need to be submitted to SCSB for Blocking of the Fund and uploading on the Exchange Bidding Platform.

To identify bids submitted by Syndicate / Sub-Syndicate Member to SCSB a special Bid-cum-application Form with a heading / watermark "Syndicate ASBA" may be used by Syndicate / Sub-Syndicate Member along with SM Code & Broker Code mentioned on the Bid-cum Application Form to be eligible for Brokerage on allotment. However, such special Forms, if used for Retail Bids and NIB bids up to Rs. 5 lakhs will not be eligible for Brokerage.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021

### **Interim Use of Funds**

Pending utilisation for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds only with scheduled commercial banks. In accordance with Section 27 of the Companies Act 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

### **Bridge Loan**

Our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds.

### **Monitoring of Utilisation of Funds**

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited as a monitoring agency for monitoring the utilisation of Net Proceeds prior to filing of this Red Herring Prospectus with the RoC, as the proposed Fresh Issue exceeds ₹ 1,000.00 million. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such Fiscals, as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Red Herring Prospectus and place it before our Audit Committee and the Audit Committee shall monitor the proceeds of the Net Issue until such time that all the Net Proceeds have been utilised in full. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. Our Company shall in its quarterly notes to Accounts of its financial statements include the employment of Net Proceeds of the Issue under various heads. Our Company shall provide details /

information / certifications obtained from Statutory Auditors on the utilization of the Net Proceeds to the Monitoring Agency The statement shall be certified by the Statutory Auditors. Further, in accordance with the Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including deviations, if any, in the utilization of the Net Proceeds of the Issue from the objects of the Issue as stated above. Our Company shall for the purpose of quarterly report by Monitoring Agency, provide item by item description for all the expense heads under each Object of the Issue. This information will also be published in newspapers simultaneously with the interim or annual financial results of our Company, after placing such information before our Audit Committee.

### **Variation in Objects of the Offer**

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the Objects of the Offer unless our Company is authorised to do so by way of a special resolution of its Shareholders through a postal ballot and such variation will be in accordance with the applicable laws including the Companies Act, 2013 and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act, 2013. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Gujarati, the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree to the above stated proposal to vary the objects, at a price and in such manner as may be prescribed by SEBI in Regulation 59 and Schedule XX of the SEBI ICDR Regulations. For further details see, *“Risk Factors - Our management will have broad discretion in how we apply the Net Proceeds and there is no assurance that the Objects of the Offer will be achieved within the time frame expected, or at all, or that the deployment of Net Proceeds in the manner intended by us will result in any increase in the value of your investment”* on page 48

### **Appraising Entity**

Our project in relation to setting up of a manufacturing facility at Saykha, Bharuch, Gujarat is being appraised by Resurgent India Limited.

### **Other Confirmations**

No part of the Net Proceeds will be paid to our Promoters, Directors, our Group Company or our Key Managerial Personnel, except to the extent of proceeds from Offer for Sale and in the ordinary course of business. Our Company has not entered into nor has planned to enter into any arrangement/ agreements with our Directors, our Key Management Personnel, or our Group Companies in relation to the utilisation of the Net Proceeds of the Offer.

## BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price of the Price Band. The financial information included herein is derived from our Restated Financial Information. Investors should also see the sections entitled “Our Business”, “Risk Factors” and “Financial Information” on pages 154, 31, and 218, respectively, to have an informed view before making an investment decision.

### Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry:

- Diversified portfolio of our products and consistent focus on quality and innovation;
- Strong R&D capabilities with focus on innovation and sustainability;
- Established distribution network with strong branded products and stable relationship with our institutional customers;
- Experienced Promoters and management team; and
- Track record of strong operational and financial performance.

For details, please see the section entitled “Our Business – Our Key Strengths” on page 156.

### Quantitative Factors

Some of the information presented in this chapter is derived from the Restated Financial Information. For further information, please see the section entitled “Financial Information” on page 218.

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

#### 1. Basic and Diluted Earnings per Share (as adjusted for change in capital due to issue of bonus shares)

Fiscal / period ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2022	11.62	11.62	3
March 31, 2021	8.49	8.49	2
March 31, 2020	5.75	5.75	1
<b>Weighted Average</b>	<b>9.60</b>	<b>9.60</b>	
Four months period ended July 31, 2022*	7.44	7.44	

\* Not Annualized

*Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/total of weights.*

*Basic EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average no. of equity shares outstanding during the year/ period (as adjusted for change in capital due to issue of bonus shares made by the Company on November 27, 2021)*

*Diluted EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average no. of diluted equity shares outstanding during the year/ period (as adjusted for change in capital due to issue of bonus shares made by the Company on November 27, 2021)*

Notes:

1. Basic and diluted earnings per share are computed in accordance with Indian Accounting Standard 33 ‘Earnings per Share’, notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended).
2. Weighted average number of shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of shares issued during the period multiplied by the time weighting factor. The time

weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.

The above statement should be read with significant accounting policies and notes on Restated Financial Information as appearing in the Restated Financial Information.

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

Particulars	P/E at Floor Price (no. of times)	P/E at Cap Price (no. of times)
Based on basic EPS of ₹ [●] as per the Restated Financial Statements for the year ended March 31, 2022	[●]	[●]
Based on diluted EPS of ₹ [●] as per the Restated Financial Statements for the year ended March 31, 2022	[●]	[●]

## 3. Industry Peer Group P/E ratio

Particulars	Industry P/E (Number of times)
Highest	45.92
Lowest	10.80
Average	24.04

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 of P/E for industry peer set disclosed in this section. For further details, see below “Comparison with listed industry peers”. All the financial information for listed industry peers mentioned above is sourced from the audited financial statements of the relevant companies for Fiscal 2022, as available on website of stock exchanges.

## 4. Return on Net Worth (“RoNW”)

Fiscal/period ended	RoNW (%)	Weight
March 31, 2022	34.64	3
March 31, 2021	37.33	2
March 31, 2020	30.55	1
<b>Weighted Average</b>	<b>34.86</b>	
Four months period ended July 31, 2022*	18.15	-

\* Not annualized

Note:

Return on Net Worth (%) = Net Profit after tax, as restated for the end of the year/ period divided by Net worth as at the end of the year/ period

“Net Worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation

The Weighted Average Return on Net Worth is a product of Return on Net Worth and respective assigned weight, dividing the resultant by total aggregate weight

## 5. Net Asset Value (“NAV”) (as adjusted for change in capital due to issue of bonus shares)

Net Asset Value per Equity Share	(₹)
As on July 31, 2022	40.99
As on March 31, 2022	33.55
After the Offer	
-At the Floor Price	[●]
-At the Cap Price	[●]
-At the Offer Price	[●]

Notes:

Net Asset Value per share = Net Worth at the end of the year/period divided by total number of equity shares outstanding at the end of year/period (as adjusted for change in capital due to issue of bonus shares made by the Company on November 27, 2021)

“Net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

## 6. Comparison with listed industry peers

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

Name of the company	Consolidated /Standalone	Face value (₹ per share)	Closing price on November 18, 2022 (₹)	Total Revenue (in ₹ million)	EPS (₹)		NAV <sup>(2)</sup> (₹ per share)	P/E <sup>(3)</sup>	RoNW <sup>(4)</sup> (%)
					Basic <sup>(1)</sup>	Diluted <sup>(1)</sup>			
Dharmaj Crop Guard Limited <sup>#</sup>	Standalone	10	-	2,209.4	7.44	7.44	40.99	-	18.15
<b>Peer Group</b>									
Rallis India	Consolidated	1	231.70	26,039.3	8.44	8.44	87.25	27.45	9.68
India Pesticides	Consolidated	1	255.35	7,161.43	13.78	13.78	55.39	18.53	24.76
Punjab Chemical & Crop Protection	Consolidated	10	1,191.60	9,334.60	68.07	68.07	184.00	17.51	36.99
Bharat Rasayan	Consolidated	10	10,164.45	13,011.56	423.52	423.52	1,853.11	24.00	22.85
Astec Lifesciences	Consolidated	10	2,106.55	6,765.66	45.87	45.85	202.33	45.92	22.66
Heranba Industries	Standalone	10	510.25	14,503.73	47.25	47.25	178.55	10.80	26.46
Industry composite	-	-	-	-	-	-	-	24.04	-

Source: All the financial information for listed industry peer mentioned above is on a consolidated basis and is sourced from the annual audited financial results of the listed peer for the year ended March 31, 2022.

(1) For listed peer - sourced from the annual audited financial results of the listed peer for the year ended March 31, 2022.

(2) For listed peer, Net Asset Value (NAV-) is computed as equity attributable to owners (total equity) divided by the number of equity shares outstanding at the end of the year.

(3) For listed peer, P/E Ratio has been computed based on the closing market price of equity shares on the website of NSE as of November 18, 2022 divided by the Basic EPS provided under Note 1 above.

(4) For listed peer, return on Net Worth for equity shareholders (%) (RONW) = Profit for the year divided by total equity.

<sup>#</sup>Source for our Company: Based on the Restated Financial Information for the year ended March 31, 2022

## 7. Set forth below are the details of comparison of key performance indicators with our listed industry peers:

Particulars	Dharmaj Crop	Rallis India Limited	India Pesticides Limited	Heranba Industries Limited	Punjab Chemical & Crop	Bharat Rasayan Limited	Astec Lifesciences Limited
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	Guard Limited		Protection Limited				
	Fiscal 2022	Fiscal 2022	Fiscal 2022	Fiscal 2022	Fiscal 2022	Fiscal 2022	Fiscal 2022
Revenue from operations	3,942.08	26039.30	7,161.43	14,503.73	9,334.60	13,011.50	6,765.66
EBITDA	461.90	3,015.15	2,269.26	2,791.07	1,406.20	2,654.35	1,645.40
EBITDA Margin (%)	11.72	11.58	31.69	19.24	15.06	20.40	24.32
Profit After Tax	286.90	1,641.99	1579.02	1,890.63	834.60	1,759.84	898.83
Profit After Tax Margin (%)	7.28	6.31	22.05	13.04	8.94	13.53	13.29
Gross profit	799.32	9,803.65	3,96.00	5,197.68	3,640.80	4,585.18	2,897.55
Gross profit margin (%)	20.28	37.65	54.40	35.84	39.00	35.24	42.83
Return on Equity (%)	34.64	9.68	24.76	26.46	36.99	22.85	22.66

**8. Some of the key performance indicators which may form the basis for computing the Offer Price are as follows:**

(₹ in million, except percentage)

Particulars	Four months period ended July 31, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Revenue from operations	2,209.40	3,942.08	3,024.10	1,982.22
EBITDA	268.53	461.90	320.38	185.77
EBITDA Margin (%)	12.15	11.72	10.59	9.37
Profit After Tax	183.59	286.90	209.60	107.59
Profit After Tax Margin (%)	8.31	7.28	6.93	5.43
Gross profit	409.81	799.32	630.05	428.55
Gross profit margin (%)	18.55	20.28	20.83	21.62
Return on Equity (%)	18.15	34.64	37.33	30.55

Revenue from operations represents the income generated by our Company from its core operating operation  
Reason for inclusion: This gives information regarding the scale of operations

EBITDA represents the aggregate of restated profit/loss before tax, tax expense, finance cost, depreciation and amortization

Reason for inclusion: This gives information regarding the operating profits generated by our Company in comparison to the revenue from operations of our Company

EBITDA Margin (%) gives information regarding the operating profits generated by our Company

Reason for inclusion: This gives information regarding operating profitability of our Company in comparison to the revenue from operations of our Company

Profit After Tax represents the restated profits of our Company after deducting all expenses

Reason for inclusion: This gives information regarding the overall profitability of our Company

Profit After Tax Margin (%) is calculated at restated profit/loss after tax for the period divided by revenue from operations

Reason for inclusion: This gives information regarding the overall profitability of our Company in comparison to revenue from operations of our Company

Gross profit represents the profit of a company after deducting the costs associated with manufacturing such as cost of goods sold, purchase and changes in inventory

Reason for inclusion: This gives information regarding profitability of the Company from manufacturing activities



*of our Company*

*Gross profit margin (%) is calculated as restated gross profit for the period divided by revenue from operations*

*Reason for inclusion: This gives information regarding profitability of the Company from manufacturing activities in comparison to the revenue from operations of our Company*

*Return on Equity is calculated as earnings before interest and tax divided by total assets less current liabilities*

*Reason for inclusion: This gives information regarding profitability of our Company on the capital employed in the business*

For further details on key performance indicators which are not considered for basis of Offer price, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations - Key Financial Information and Key Performance Indicators (KPIs)*” on page 279.

The Offer Price of ₹ [●] has been determined by our Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of the demand from investors for the Equity Shares through the Book Building Process. Our Company and the Selling Shareholders, in consultation with the BRLMs, is justified of the Offer Price in view of the above qualitative and quantitative parameters. Investors should read the abovementioned information along with the sections entitled “*Risk Factors*”, “*Our Business*” and “*Financial Information*” on pages 31, 154 and 218, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the section entitled “*Risk Factors*” or any other factors that may arise in the future and you may lose all or part of your investments.

## STATEMENT OF TAX BENEFITS

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

To,

**The Board of Directors,  
Dharmaj Crop Guard Limited**  
Plot No. 408 to 411, Kerala GIDC Estate,  
Off NH-8, At: Kerala,  
Ta: Ahmedabad – 382220  
Gujarat, India

(the “Company”)

**Re: Proposed initial public offer of equity shares of face value of Rs. 10 each (the “Equity Shares”) of the “Company” and such offer, the “Offer”.**

This report is issued in accordance with the Engagement Letter dated 18.11.2021.

We hereby report that the enclosed Annexure I and II prepared by the Company, initialed by us and the Company for identification purpose, states the possible special tax benefits available to the Company and its shareholders, under direct and indirect taxes (together “**the Tax Laws**”), presently in force in India as on the signing date, which are defined in Annexure I. These possible special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure I & II cover the possible special tax benefits available to the Company and its shareholders but does not cover any general tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed Annexure II and its contents is the responsibility of the management of the Company and is not exhaustive. We were informed that the 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 proposed initial public offering of equity shares of the Company comprising a fresh issue of the Equity Shares by the Company and an offer for sale of Equity Shares by certain shareholders particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on this Statement.

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (the “**Guidance Note**”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

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

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

The contents of enclosed Annexures are based on the information, explanation and representations obtained from

the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. 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 the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

We hereby give consent to include this Statement in the Red Herring Prospectus, and the Prospectus, and in any other material used in connection with the proposed Offer. The Statement is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

For and on behalf of  
**KARMA & CO LLP**

JIGNESH DHADUK  
FRN:127544W/W100376  
Designated Partner  
Membership No.: 129149  
UDIN: 22129149BBSCQE3663

Place: Ahmedabad  
Date: 01/11/2022

**Encl: As above**

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

**Direct Taxation**

Outlined below are the special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 as amended by Finance Act 2021 i.e., applicable for Financial Year 2022-23 relevant to the Assessment Year 2023-24, Presently in force in India

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

Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of tax of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has represented to us that it has applied section 115BAA for the assessment year 2022-23.

**II. Special tax benefits available to Shareholders**

There are no special tax benefits available to the shareholders 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. The above Statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. The above Statement of possible tax benefits is as per the current Income Tax Act, 1961 read with relevant rules, circulars and notifications relevant for the Assessment Year 2022-23 and Assessment Year 2023-24.
4. This Statement 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 consequences of his/her investment in the shares of the Company.
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 agreements, if any, between India and the country in which such non-resident is a tax resident of.
6. Our views expressed in this Statement are based on the facts and assumptions as indicated in the Statement. 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.

## ANNEXURE II

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

#### Indirect Taxation

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications-2020

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

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

#### **II. Special tax benefits available to Shareholders**

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

#### **Notes:**

1. The above Statement of Indirect Tax benefits sets out the special tax benefits available to the Company and its shareholders under the Indirect Tax laws mentioned above.
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 Statement 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 consequences of his/her investment in the shares of the Company.
4. 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

#### Global Economic Outlook

As per the International Monetary Fund (IMF)'s World Economic Outlook growth projections released in October 2022, the world economy grew by 6 % in CY21 majorly due to economic recovery and the lower base. For CY22, projection for global economic growth slashed to 3.2% citing disruptions due to the Russia-Ukraine conflict and higher-than-expected inflation worldwide. The CY23 is projected to slowed to 2.9% mainly due to tightening global financial conditions, expectations of steeper interest rate hikes by major central banks to fight inflation, a sharper slowdown in China and spillover effects from the war in Ukraine with gas supplies from Russia to Europe tightening. The IMF projects world economy growth between 2.6%-3.3% on year on year (Y-o-Y) basis for next 5 years.

**Table 1: Global Growth Outlook Projections (in %)**

Country/Group	2021	2022E	2023E
World Output	6.0	3.2	2.7
Advanced Economies	5.2	2.4	1.1
United States	5.7	1.6	1.0
Euro Area	5.2	3.1	0.5
Japan	1.7	1.7	1.6
United Kingdom	7.4	3.6	0.3
Canada	4.5	3.3	1.5
Remaining Advances Economies	5.3	2.8	2.3
Emerging Market & Developing Economies	6.6	3.7	3.7
Emerging and Developing Asia	7.2	4.4	4.9
China	8.1	3.2	4.4
India*	8.7	6.8	6.1
ASEAN**	3.4	5.3	4.9
Emerging and Developing Europe	6.8	0.0	0.6
Latin America and the Caribbean	6.9	3.5	1.7
Middle East and Central Asia	4.5	5.0	3.6
Sub-Saharan Africa	4.7	3.6	3.7

*Notes: E-Estimates*

*\*For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year.*

*\*\*Includes Indonesia, Malaysia, Philippines, Thailand and Vietnam*

*Source: IMF – World Economic Outlook, October 2022*

#### Emerging market and developing economies group

For the Emerging market and developing economies group is expected to decline to 3.7% in CY22 and remain unchanged in CY23. This downgrade is primarily reflection of sharp slowdown of China's economy and the moderation in India's economic growth. The China witnessed 0.2 and 0.1 percentage point downgrade in CY22 and CY23 respectively. This is the lowest growth in more than four decades, excluding the initial COVID-19 crisis in CY20. Shanghai, a major global supply chain hub, entered a strict lockdown in April 2022 due to worrisome surge in Covid-19 cases, forcing citywide economic activity to halt for about eight weeks. The worsening crisis in China's property sector is also dragging down sales and real estate investment.

The estimates for India's GDP growth has been downgraded to 6.8% in CY22 while for CY23 the projection has been made of 6.1%. This downgrade is majorly reflection of weaker-than-expected outturn in the second quarter and more subdued external demand.

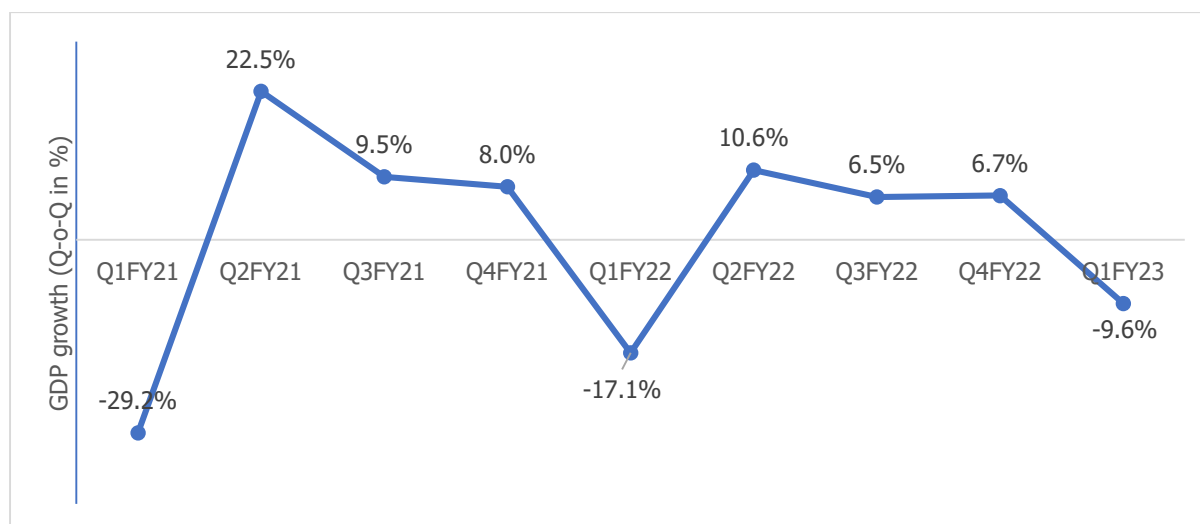
## Indian Economic Outlook

### GDP growth and Outlook

The FY21 started with the country being hit by the pandemic which saw lockdowns and restrictions being imposed across states. This impeded economic output in Q1FY21 and led to a year-on-year (y-o-y) decline of 23.8% in GDP. By the end of Q4FY21, the economy preceded the way to recovery. In broader sense, the pandemic resulted to 6.6% of negative growth for the FY21 for the economy.

The Indian economy bounced back strongly in Q1FY22 with 20.1% y-o-y growth due to low base. The easing of lockdowns and restrictions across states since June coupled with the decline in Covid-19 cases and higher vaccination rate facilitated higher economic activity at a faster than expected and this was reflected in the GDP for the Q2FY22 which grew annually by 8.4%. The dip in Q3FY22 of 5.4% can be attributed to fading base effect. India's economy recorded modest growth at 4.1% in Q4FY22, down from the growth made in the previous quarter. The economy was hit by the third wave of Covid-19 during the quarter. Global supply bottlenecks due to the Russia-Ukraine dispute and higher input costs did slow the pace of recovery in the last quarter. Overall, in FY22, India is expected to have witnessed 8.7% growth.

**Chart 1: Sequential growth in GDP at constant prices (in %)**



Source: MOSPI, XXX Ratings Economics Research report

**Table 2: Quarterly GDP growth in % at constant prices (y-o-y)**

	Unit	Q1FY20	Q1FY21	Q1FY22	Q1FY23
Real GDP	Y-o-Y growth in %	4.9	-23.8	20.1	13.5
Nominal GDP	Y-o-Y growth in %	8.3	-21.6	32.4	26.7

Source: MOSPI, XXX Ratings Economics Research report

For the FY23, the announcements in the Union Budget 2022-23 on boosting public infrastructure through enhanced capital expenditure are expected to augment growth and crowd in private investment through large multiplier effects. However, heightened inflationary pressures and resultant policy tightening may pose risk to the growth potential. With this, Q1FY23 recorded 13.5% growth which can largely be attributed to the favorable base and better performance by agriculture and service sector. With improvement in demand for contact-intensive sectors and positive business and consumer sentiment, the discretionary spending and urban consumption can be expected to bolster economic growth. Along with growing government support and push towards capex, the investment activities can be foreseen to stay upright through improving bank credit and rising capacity utilization. On the other hand, elevated risks emanating from protracted geopolitical tensions, the upsurge in global financial

market volatility and tightening global financial condition also weigh heavily on the growth outlook.

Taking all these factors into consideration, in October 2022, the RBI in its bi-monthly monetary policy meeting estimated the real GDP growth to be at 7 % for FY23.

**Table 3: RBI's GDP Growth Outlook (Y-o-Y %)**

Q2FY23	Q3FY23	Q4FY23	Q1FY24	FY23
6.3	4.6	4.6	7.2	7.0

Source: RBI press release dated October 14, 2022

### Gross Value Added (GVA)

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

- **Agriculture** recorded a growth of 4.5% in Q1FY23 over a low base of 2.2% growth in the same period last year. Despite the heatwave-led disruption, overall foodgrain production for the crop year 2021-22 is estimated to be at a record high of 315.72 million tonnes as per the fourth advance estimates. However, due to uneven rains this year, the production of some major Kharif crops such as rice and pulses could be impacted having implications on the agriculture sector's output growth.
- **Industrial** output jumped 8.6% in Q1FY23 on y-o-y basis. However, sequentially the sector witnessed a sharp contraction due to lower output across mining, manufacturing and construction sectors. Manufacturing contracted 10.5% (q-o-q) in Q1 as it felt the heat of high commodity prices. With easing of commodity price pressures and prospects of improvement in consumption demand, we can expect the manufacturing sector to perform better in coming quarters.
- **Services** sector, having the highest share in GDP, recorded a growth of 17.6% in Q1 FY23. The high growth was supported by a favourable base effect. The services sector output was only 3% higher when compared with the pre-pandemic quarter of Q1 FY20. While the output in the sectors related to trade, hotels, transport, communication and broadcasting recorded a good growth of 25.7% on y-o-y basis, it was still 15.5% lower compared with the pre-pandemic level.

**Table 4: Sectoral Growth – at constant price**

At constant Prices	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23
<b>Agriculture, forestry &amp; fishing</b>	<b>2.2</b>	<b>3.2</b>	<b>2.5</b>	<b>4.1</b>	<b>4.5</b>
<b>Industry</b>	<b>46.6</b>	<b>7</b>	<b>0.3</b>	<b>1.3</b>	<b>8.6</b>
Mining & quarrying	18	14.5	9.2	6.7	6.5
Manufacturing	49	5.6	0.3	-0.2	4.8
Electricity, gas, water supply & other utility services	13.8	8.5	3.7	4.5	14.7
Construction	71.3	8.1	-2.8	2	16.8
<b>Services</b>	<b>10.5</b>	<b>10.2</b>	<b>8.1</b>	<b>5.5</b>	<b>17.6</b>
Trade, hotels, transport, communication & broadcasting	34.3	9.6	6.3	5.3	25.7
Financial, real estate & professional services	2.3	6.1	4.2	4.3	9.2
Public administration, defence and other services	6.2	19.4	16.7	7.7	26.3
<b>GVA at Basic Price</b>	<b>18.1</b>	<b>8.3</b>	<b>4.7</b>	<b>3.9</b>	<b>12.7</b>

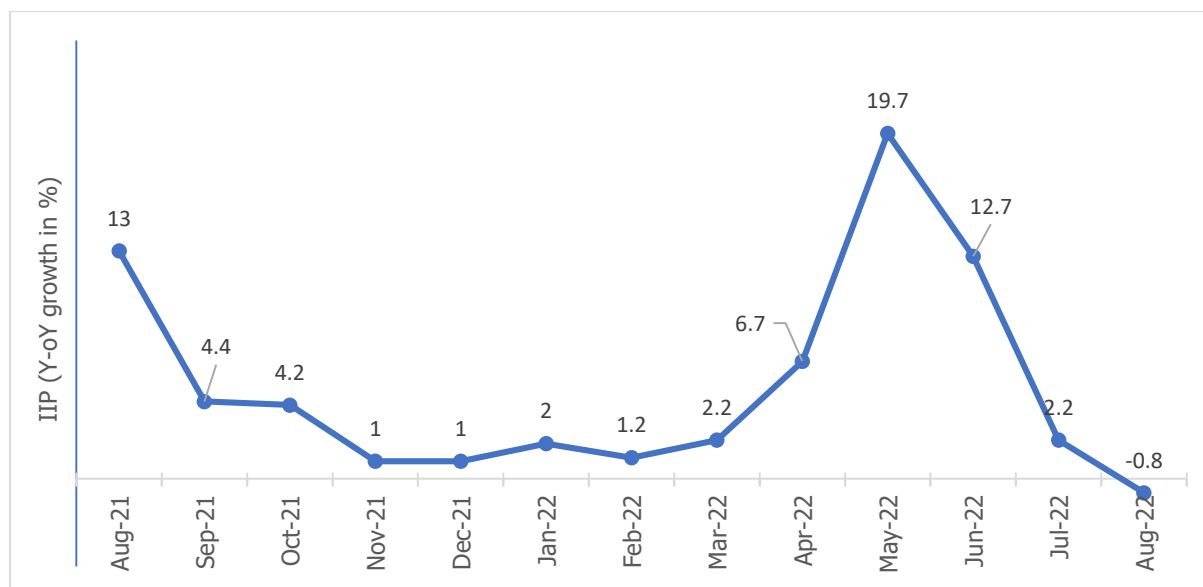
Source: MOSPI, XXX Economic Research Report

### Industrial Growth



Index of Industrial production (IIP) is an index to track manufacturing activity in an economy. The growth in industrial activity contracted to negative 0.8% in August 2022, slipping into negative territory for the first time in 18 months. Normalization of the base effect and weaker than expected performance in the mining manufacturing sectors and consumer goods segment pushed down the Index of Industrial Production (IIP) growth print. Global growth slowdown, slowing exports and elevated inflation are the other dampeners for pick up in industrial activity.

**Chart 2: Y-O-Y growth in IIP (in %)**



**Source: MOSPI, XXX Ratings Economics Research report**

Going ahead, the consumption impulses in the economy could be a factor of improvement with the commencement of festive season. However, elevated domestic inflation, volatility in commodity prices and global growth slowdown could be the major challenges for the momentum in industrial activity.

### Concluding Remarks

Despite the global growth uncertainties, Indian economy is relatively better placed. The major headwinds to economic growth are escalating geopolitical tensions, elevated global commodity prices and shortages of key inputs. However, the bright spots for the economy are improving demand conditions, support from government capital expenditure and improving business confidence. Various high-frequency growth indicators including purchasing managers index, auto sales, bank credit, GST collections have shown improvement in the first few months of FY23.

Despite of high food and fuel inflation pressure, the normalizing employment situation after the opening up of economy is expected to improve and provide support to consumption expenditure.

Public investment is expected to exhibit healthy growth as the government has budgeted for a strong capital expenditure growth in FY23. The private sector’s intent to invest is also showing improvement as per the data on new investment projects announced. However, the sharp rise in commodity prices and the economic uncertainties emanating from global turbulence is likely to slow down the pick-up in the private investment cycle.

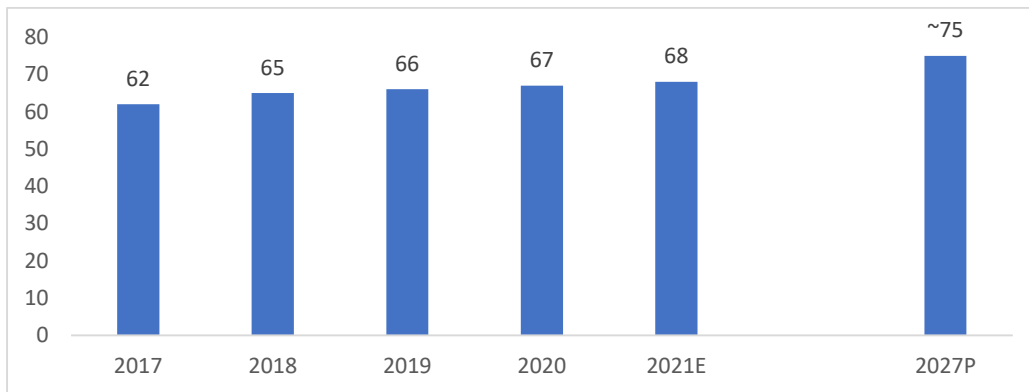
Among sectors, the industrial segment is expected to be negatively impacted due to high input prices. Nonetheless, with flagship programmes like ‘Make in India’ and the Production Linked Incentive (PLI) schemes the government is continuing to provide the support to boost the industrial sector. Service sector are expected to see a bounce back in FY23 with a return to economic normalcy. However, in the services sector, some segments like Information Technology would feel the pinch of slowing in US economic growth.

### Global pesticides industry

#### Trend in global pesticides industry

During the five-year period 2017-2021, the global pesticides market is estimated to have grown at a Compounded Annual Growth Rate (CAGR) of around 2.5% from USD 62 billion in 2017 to USD 68 billion in 2021.

**Chart 1: Trend in global pesticides market (USD billion)**



Source: Industry sources, XXX Research estimates (E)

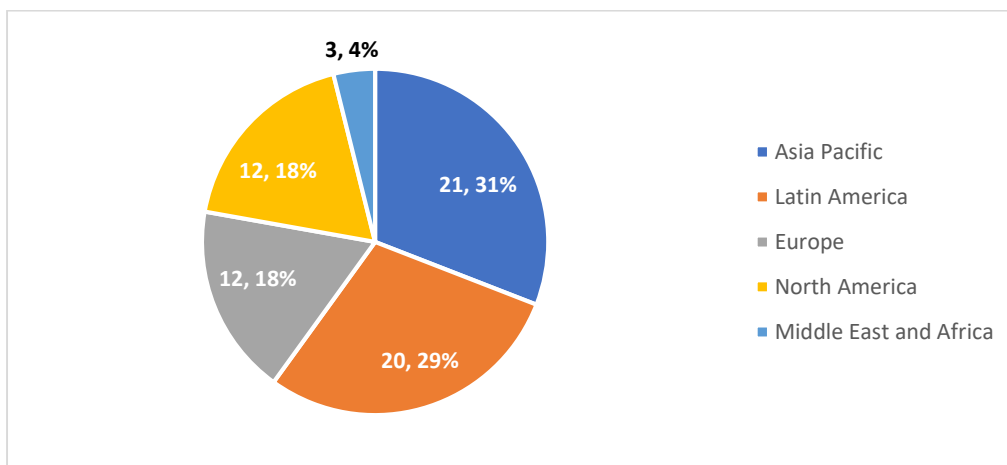
Pesticides also called agrochemicals are used in agriculture to support the growth and safety of plants, to protect crops from pests and are used for auguring the yields of crops. They also prevent crops from insects, diseases and weeds. These pests when not controlled affects the volume and quality of food crops. The mentioned benefits are the primary reasons that have supported the growth of this industry globally over the years. In addition to this, sufficiency of global food production in the world to meet the requirements of increase in world population has also been supporting the market of pesticides industry globally.

The above mentioned factors are expected to continue to provide support to the global pesticides industry and thus this market is estimated to grow at a CAGR of around 1.6%-1.8% during the period 2022-2027 and is likely to reach approximately USD 75 billion by 2027.

**Region-wise global pesticides market**

Asia Pacific and Latin America together accounted for more than 50% of the global pesticides market in 2021 with each region contributing around 30% each of the total USD 68 billion market. This was followed by Europe and North America each with each market accounting for a share of around 18% and the two markets together contributing about USD 24 billion during the year. Middle East and Africa remained the smallest market accounting for 4% of the global pesticides market with a size of around USD 3 billion.

**Chart 4: Region-wise share of global pesticides market for 2021 (USD billion)**



Source: Industry sources, XXX Research estimates

## Outlook

Asia Pacific will continue to be the largest market for global pesticides industry and is expected to grow at the fastest CAGR of 3.4%-3.7% by 2027 among all the regions of the industry. This is likely to augment the share of Asia Pacific region in the international market to around 34% by 2027 from an estimated share of 31% in 2021.

The other pesticides market Latin America, North America, Middle East and Africa are likely to increase at a CAGR of 1.8%-2.4% by 2027. The pesticides market in Europe, on the other hand, is estimated to decline at a CAGR of 2.8%-2.9% during the forecasted period.

**Table 1: Region - wise outlook estimates for global pesticides industry**

Region-wise market (USD billion)	2021	2027P	CAGR
Asia Pacific	21	~26	3.4%-3.7%
Latin America	20	~22	1.9%-2.0%
Europe	12	~10	(2.8%) to (2.9%)
North America	12	~14	2.2% to 2.4%
Middle East and Africa	3	~3	1.8% to 2.0%
<b>Total</b>	<b>68</b>	<b>~75</b>	<b>1.6%-1.8%</b>

Source: Industry sources, XXX Research estimates

P is projected Note: 2021 data is estimate

## Growth drivers for global pesticides industry

The growth in global pesticides industry as mentioned above will be supported by the driving factors that are listed below:

**Asia Pacific market:** The Asia Pacific market that accounts for the largest share in global pesticides industry includes populous countries like India and China that have an increasing population which demands food security. This, in turn, prompts these countries to better their productivity levels to meet the needs of food requirements. In addition to this, agriculture forms an important part of these countries' economy, which also requires these nations to focus on productivity levels. Thus, it is expected that the pesticides market in this region will grow at a faster CAGR of 3.4%-3.7% by 2027 compared to other regions.

**Intensive farming:** Farmers across the world are opting for intensive farming techniques to improve productivity of the crops per hectare, thus driving the consumption of pesticides. Intensive farming is an agricultural augmentation and mechanization system with an intention to maximize yields from available land with means of more use of pesticides and chemical fertilizers. These techniques aid to meet the growth in food demand from the rise in population and avert food shortages.

**Growth in global population:** The growth in global population is one of the demand drivers for pesticides usage as an increase in world population implies more food requirements with the available land. This, in turn, calls for pesticide usage to increase productivity of the crop to get more output from it.

The above mentioned factors are thus expected to support the global pesticides market going ahead.

## Segments and structure of global pesticides industry

The global pesticides industry is dominated by herbicides segment followed by fungicides and insecticides segment. Of the global market size of around USD 59 billion in the year 2021, herbicides accounted for the highest share of about USD 25 billion (more than 40% of the industry). The other two major segments fungicides and insecticides contributed approximately USD 17 billion and USD 15 billion, respectively, towards the global pesticides industry during the year. The major three segments of the global pesticides industry are listed in the table below:

**Table 2: Segments of global pesticides industry and its outlook (in USD billion)**

Segments (USD billion)	2021	2027P	Outlook CAGR
------------------------	------	-------	--------------

<b>Crop market</b>			
Herbicides	25	~27	1.0%-1.2%
Fungicides	17	~18	1.5%-1.7%
Insecticides	15	~17	1.6%-1.8%
Others	2	~2	1.9%-2.1%
<b>Total crop market</b>	<b>59</b>	<b>~64</b>	<b>1.3%-1.5%</b>
<b>Non-crop market</b>	<b>8</b>	<b>~11</b>	<b>4.5%-5.0%</b>
<b>Total global pesticides market</b>	<b>68</b>	<b>~75</b>	<b>1.6%-1.8%</b>

Source: Industry sources, XXX Research estimates

P is projected Note: 2021 data is estimate

Apart from crop market, another segment that has a contribution in global pesticides market includes non-crop market. This segment had a market size of about USD 8 billion in 2021.

These pesticides find their application in home and garden, turf and ornamentals, pest control operations, industrial vegetation management, forestry, public health, aquatic among others. They are used for control of weeds, diseases, insects and other pests. Also, they are used for plant growth regulation.

The non-crop market has increased at a CAGR of around 3.3% in the five-year period 2015-2019. With expected increase in application of these pesticides on account of the benefits offered by them, the global non-crop market is estimated to grow at a faster CAGR compared to that of crop market. The global non-crop market is expected to rise at a CAGR of about 4.5%-5% by 2027 and is estimated to reach the level of approximately USD 11 billion.

## Introduction to pesticides industry in India

### Evolution of pesticides industry in India

The evolution of pesticides in India was led by Green Revolution. In 1943, India saw one of the worst food disasters during the Bengal famine. Food shortages had resulted in death of around 40 lakh people in the eastern part of India. The problem of food shortage in India continued even after independence at different time period and the frequent food scarcity issue led to the beginning of Green Revolution in India.

Around 1960s, the Green Revolution was launched by the government of India with the support of M.S. Swaminathan, a geneticist, who is now referred as the father of the Green Revolution in India. The revolution started in 1967 and continued till 1978.

The Green Revolution in India resulted in growth in agricultural production, primarily in the states of Haryana, Punjab, and Uttar Pradesh. The main achievement in this revolution was the development of high-yielding variety of seeds of wheat and rust-resistant strains of wheat.

### Aspects of Green Revolution in India

- High Yielding Varieties (HYV)
- Mechanization of agriculture
- Use of chemical fertilizers and pesticides
- Irrigation

The Green Revolution that engaged agricultural production with the usage of modern tools and techniques involved the aspect of pesticides and chemical fertilizers. This revolution resulted in conversion of agricultural system into an industrial system, which required utilization of modern methodologies like high yielding variety seeds, tractors, pesticides, and fertilizers, irrigation facilities. Until 1967, the government primarily focused on augmenting the farming areas. However, the rapid growth in population compared to food production demanded a major and immediate requirement to raise yield, which resulted in the evolution of Green Revolution.

The technique of Green Revolution concentrated on following three basic elements:

1. Using seeds with improved genetics (High Yielding Variety seeds)
2. Double cropping in the existing farmland and
3. The continuing expansion of farming areas

The Green Revolution had started around the world in several countries between the 1950s till the late 1960s. This had resulted in various research technology transfer initiatives throughout the world, which in turn, focused on increasing agricultural production. The revolution started with Norman Borlaug's genetic testing. A hybrid wheat plant that could withstand diseases and fungus (in addition to high yield) was created by him. He is also known as the father of Green Revolution.

### **Types of pesticides and their application**

The Indian agrochemicals industry can be primarily divided into the following types: a. Insecticides b. Fungicides c. Herbicides.

#### **a. Insecticides:**

Insecticides enable protection of the crops from insects by either preventing their attack or destroying them. They help in controlling the pest population below a desired threshold level. They can be further classified based on their mode of action:

- Contact insecticides: Insects get killed on direct contact of these insecticides and they leave marginal residual activity which affects environment minimally.
- Systemic insecticides: Plant tissues absorb these insecticides and destroy insects when the insects feed on plants. These are generally related with long term residual activity.

#### **b. Fungicides:**

Fungicides find their application in fruits, vegetables and rice and they are vital to contract post-harvest losses in vegetables and fruits. Fungicides are used to prevent fungi attack on crops and to handle diseases on crops. Protectants and eradicants are two types of fungicides. Protectants protect or hinder fungal growth and eradicants destroy the diseases on usage. This thus results in better productivity, contraction in crop blemishes and raises storage life.

#### **c. Herbicides:**

Herbicides also known as weedicides are used to destroy unwanted plants. Unavailability of cheap labour leads to major usage of herbicides in rice and wheat crops. The demand for herbicides is seasonal as they develop in damp, warm climate and perish in cold spells. They are of two types depending on the way of action, selective and non-selective. Selective herbicides destroy specific plants not harming the desired crop and non-selective herbicides are used for widespread ground clearance to handle weeds pre-crop planting.

Based on the usage, there are three types of herbicides. 1. Application prior to sowing of the crop (pre-emergence) 2. Application post developing of weeds (post-emergence) 3. Application right away subsequent to sowing (early post-emergence).

#### **d. Bio-pesticides:**

These are the new age agrochemicals produced from substances of nature like plants, animal waste, bacteria and minerals. Bio-pesticides have a small share in agrochemicals market in India which is expected to grow backed by government support and increase in awareness about pesticides that are eco-friendly. These pesticides are easy to use and are environment friendly.

#### **e. Others:**

This primarily comprises fumigants, bio stimulants, nematicides, rodenticides. They prevent crops from attack of the pests at the time of crop storage.

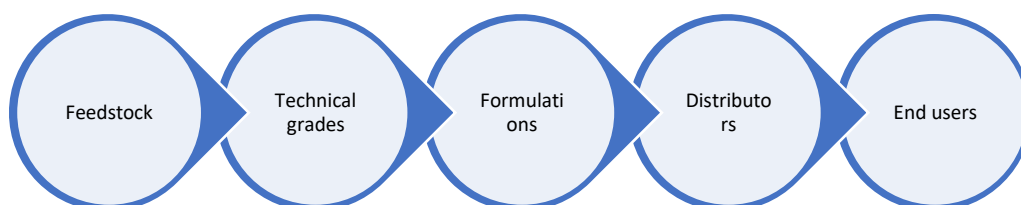
### **Overview of pesticide value chain**

The value chain of pesticide industry involves five stages as shown in the chart below. The chain starts with feedstock moves to technical grades, formulations, distributors and concludes at end users.

The feedstock consists of petrochemical derivatives, natural feedstock and chemicals that goes in the making of

technical grades. Once the technical grade or active ingredient is synthesized, the process moves to formulations. Chemical synthesis is the method of transforming a reactant or starting material into a product or several products by one or more chemical reactions. The active ingredient controls pests and gives controlling action to the pesticides. This ingredient repels, destroys or alleviates pests. It is also known as pesticide's technical grade. The active ingredient is the technical grade of the pure pesticide.

**Chart 2: Pesticide value chain**



Pesticides are generally not applied in their pure form. It is usually formulated by adding inert ingredients that improve storage, handling, application, effectiveness or safety. The inert ingredients, which involves solvents, adjuvants and fillers aids handling, application, storage, effectiveness or safety of the pesticides. This is the formulation process of pesticides.

While the active ingredient destroys the pest, the inert ingredient facilitates ease of handling, spraying and coating on plants. Following this, formulations are available to distributors who sells it to the end users like farmers.

**Indian pesticides industry**

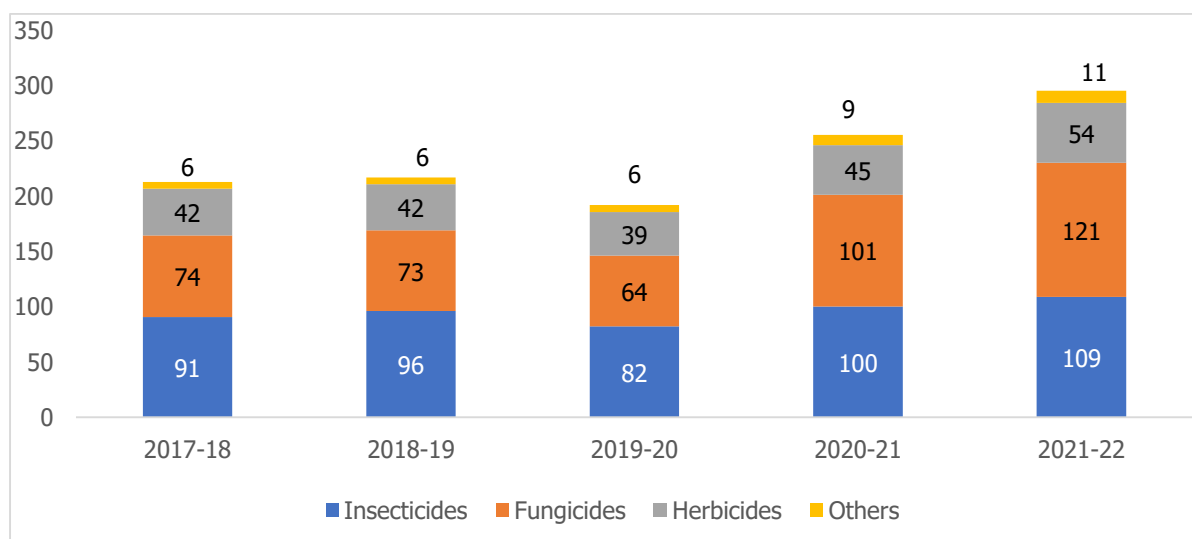
In the global agrochemicals market, India is the 4<sup>th</sup> largest producer led by USA, Japan and China. Also, India is a net exporter of agrochemicals and has emerged as the 13<sup>th</sup> largest exporter of pesticides globally. To understand the trend better, details on Indian agrochemicals market is provided below.

**Pesticides production**

**Review**

The output of pesticides in India (which includes 42 technical grades) increased at a CAGR of 8.7% from 213 thousand tonnes in 2017-18 to 295 thousand tonnes in 2021-22.

**Chart 3: Trend in production of pesticides in India ('000 tonnes)**



Source: Directorate of Plant Protection, Quarantine & Storage  
 Note: The production data includes quantity of technical grades only

During the year 2021-22, the production of pesticides grew by 16.4% y-o-y to 295 thousand tonnes. The demand for pesticides from agriculture (which was not much affected by Covid-19 in 2020-21) and low-base effect are believed to have supported the output of pesticides in 2021-22.

It can be seen from the above chart that in terms of volume, insecticides accounted for the largest share of around 41% on an average during the period 2017-18 to 2021-22 followed by herbicides, fungicides and others that held a share of about 37%, 19% and 3%, respectively. In the five-year period, insecticides (the largest segment) grew at a CAGR of 4.7% while fungicides increased at a faster CAGR of 13.2% on account of a 58% and 20% jump in its output during 2020-21 and 2021-22, respectively. Herbicides rose at a CAGR of 6.4% in 2017-18 to 2021-22 and others increased at a CAGR of 15.6% during these five years.

### Outlook

The upward momentum in pesticides industry output is expected to continue going forward backed by a growth in food consumption in domestic market amid an expected increase in population, government support towards agriculture, demand from export markets, horticulture and floriculture market among others. The penetration of pesticides and agrochemicals in India is low and this poses an opportunity for growth for agrochemical producers. In addition to this, the government's aim to reduce dependency on China and improve self-sufficiency is expected to support industry's backward integration and thus its growth.

These factors are estimated to increase the pesticides industry output at a CAGR of 3.5%-4.0% by 2026-27 (Refer table below).

**Table 7: Outlook of pesticides production by 2026-27 for technical grade (thousand tonnes)**

Segments	2021-22	2026-27P	CAGR
Insecticides	109	~134	4.0%-4.5%
Fungicides	121	~139	2.0%-3.0%
Herbicides	54	~67	4.5%-5.5%
Others	11	~14	5.0%-5.5%
<b>Total</b>	<b>295</b>	<b>~354</b>	<b>3.5%-4.0%</b>

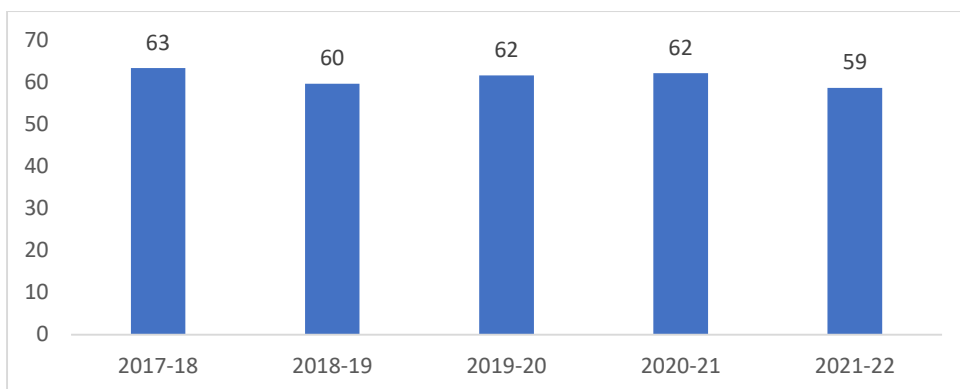
Source: Directorate of Plant Protection, Quarantine & Storage, XXX Research  
 Note: P is projected

### Pesticides consumption

#### Trend in chemical pesticides consumption

The domestic consumption of chemical pesticides grew at a CAGR of 1.5% from 59 thousand tonnes in 2016-17 to 62 thousand tonnes in 2020-21. It is to be noted that the growth reported by chemical pesticides consumption is much slower compared to the pesticides production CAGR of 4.5% during the same period. In the following 2021-22, pesticides consumption declined by 5.6% to 59 thousand tonnes in 2021-22.

**Chart 4: Trend in chemical pesticides consumption in India (technical grade) ('000 tonnes)**



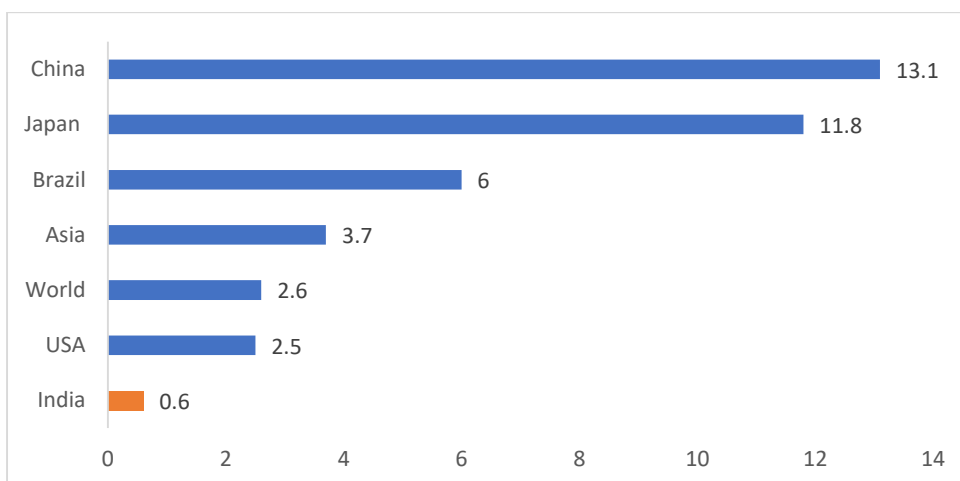
Source: Directorate of Plant Protection, Quarantine & Storage, States/UTs Zonal Conferences on Inputs (Plant Protection) for Rabi & Kharif Seasons

Note: This do not include data on the states/UTs that have not reported pesticides consumption

### Low per hectare pesticides consumption in India

Of the total pesticides produced in India, domestic chemical pesticides consumption accounted and averaged at around 28% during the period 2016-17 to 2020-21. The small share of consumption is primarily due to low pesticides per hectare consumption in India, which is one of the lowest internationally.

**Chart 5: Pesticides consumption in major regions and countries 2017 (kg/ha)**



Source: FICCI March 2021

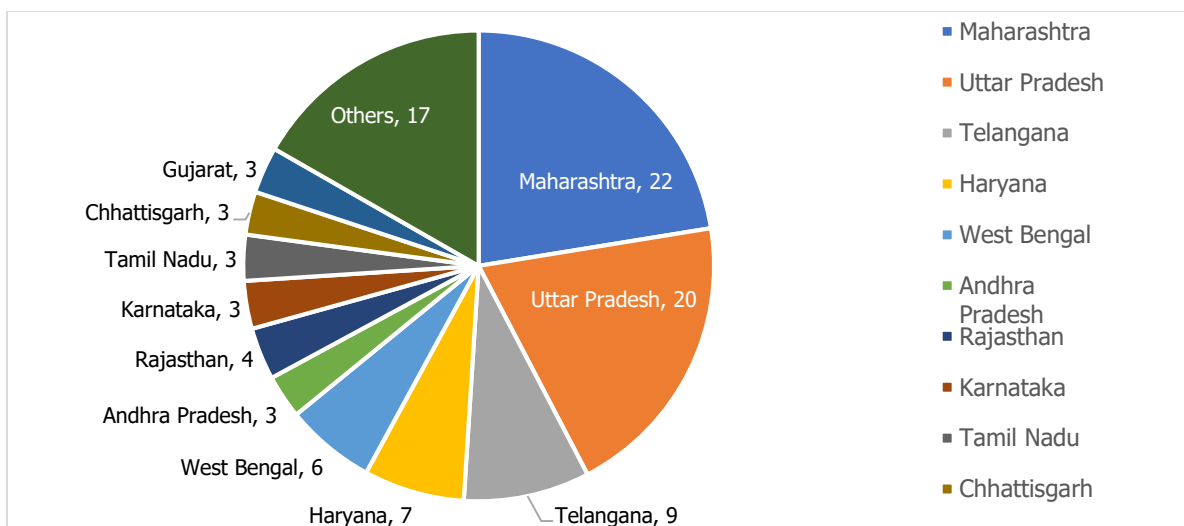
The per hectare consumption of pesticides in India is minimal 0.6 kg compared to the per hectare consumption of 13 kg and 12 kg in China and Japan, respectively. India's per hectare consumption is low even than the world average of 2.6 kg per hectare and that of Asia which stood at 3.7 kg per hectare. The low consumption at home has made India the net exporter of pesticides and India has emerged as the 13<sup>th</sup> largest exporter of pesticides globally which is discussed later in the report.

### State-wise consumption of chemical pesticides in India

The top ten states and UTs that reported chemical pesticides consumption accounted for around 80% of the total chemical pesticides domestic consumption in India during 2021-22.

**Chart 6: State-wise consumption of chemical pesticides in India during 2021-22 (technical grade) (in %)**





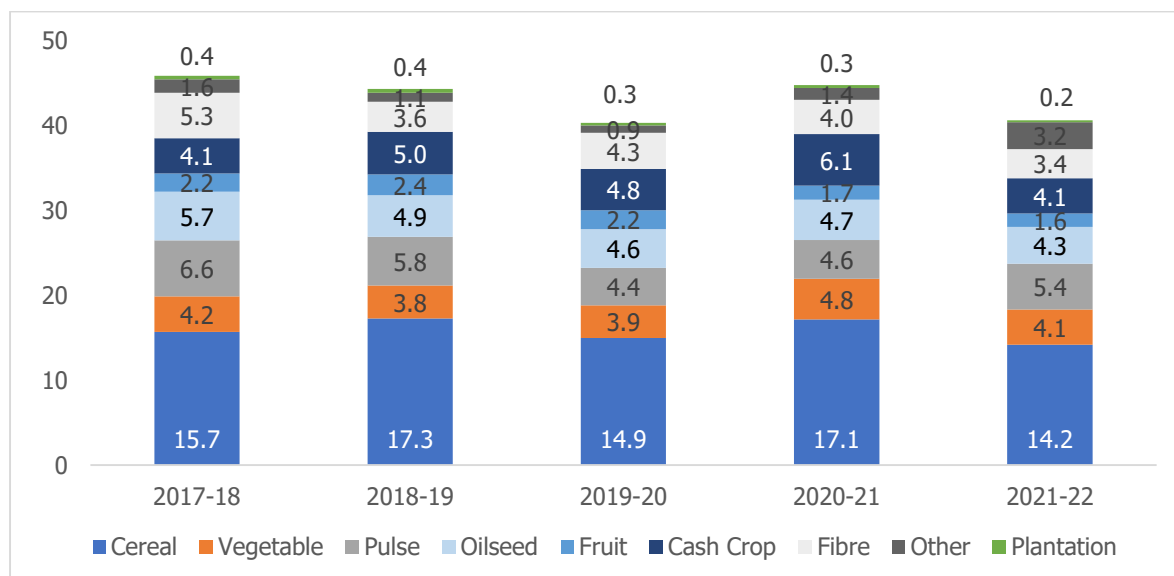
Source: Directorate of Plant Protection, Quarantine & Storage

Of the total, Maharashtra and Uttar Pradesh contributed to the significant share of 22.4% and 19.9%, respectively. Telangana accounted for 8.7% in overall chemical pesticides consumption. Following this, Haryana, West Bengal, Rajasthan, Andhra Pradesh, Karnataka, Tamil Nadu, Gujarat contributed in the range of around 3%-7%. Others (which includes remaining states and UTs) accounted for 16.7% of the total chemical pesticides consumption during the year 2021-22.

### Commodity-wise consumption of chemical pesticides

Pesticides are used and applied across a variety of commodities which includes cereals, vegetables, pulses, oilseeds, fruits, plantation, cash crops, fibre and others.

Chart 7: Commodity-wise consumption of chemical pesticides (technical grade) ('000 tonnes)



Source: Directorate of Plant Protection, Quarantine & Storage

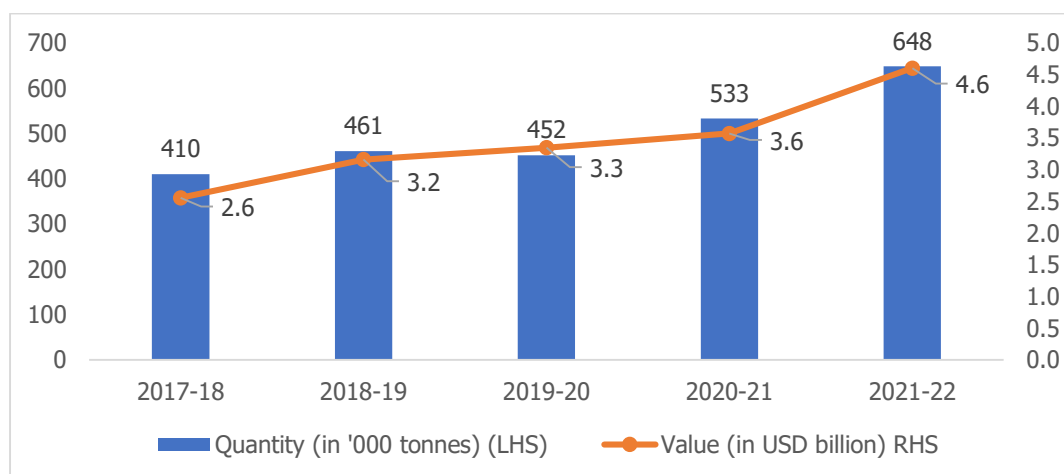
Of the total commodities covered by pesticides, cereals account for majority of the share contributing around 37% on an average during the five-year period 2017-18 to 2021-22. Following this, pulses, cash crops, oilseeds, vegetables and fibres contributed in the range of about 10%-12% on an average. The other commodities that have a small share includes fruits (4.7%), plantation (0.8%) and others (3.7%).

### Pesticides exports

### Trend in pesticides export by India

India is net exporter of pesticides and the outbound shipments account for a significant share of the total market size of the Indian agrochemicals industry. Exports of pesticides (technical and formulations both) grew at a CAGR of 12.1% from 410 thousand tonnes in 2017-18 to 648 thousand tonnes in 2021-22, the highest exports made so far by India. It is to be noted that export CAGR increased at a faster pace compared to that of production, which grew at a CAGR of 8.7%. Moreover, the export value of pesticides grew at a relative higher CAGR of 22% from USD 2.6 billion (Rs.165 billion) in 2017-18 to USD 4.6 billion (Rs.365 billion) in 2021-22.

**Chart 8: Trend in exports of pesticides by India**



Source: Directorate of Plant Protection, Quarantine & Storage

Note: This includes data on both technical and formulations

India exports pesticides to various countries across the world. Of all the nations, the key export destination for India is Brazil that held a dominant share of 20% in 2021-22 followed by USA, Bangladesh and Vietnam that accounted for 13.2%, 5.7% and 5.6%, respectively. The other countries to which exports from India ranged between 2.0%-2.6% included Indonesia, Australia and Thailand.

**Table 8: Volume-wise top 10 export-destinations of pesticides for India 2021-22**

Country	Share	Country	Share
Brazil	20.0%	Australia	2.4%
USA	13.2%	Thailand	2.0%
Bangladesh	5.7%	China	1.9%
Vietnam	5.6%	France	1.9%
Indonesia	2.6%	Argentina	1.9%

Source: CMIE

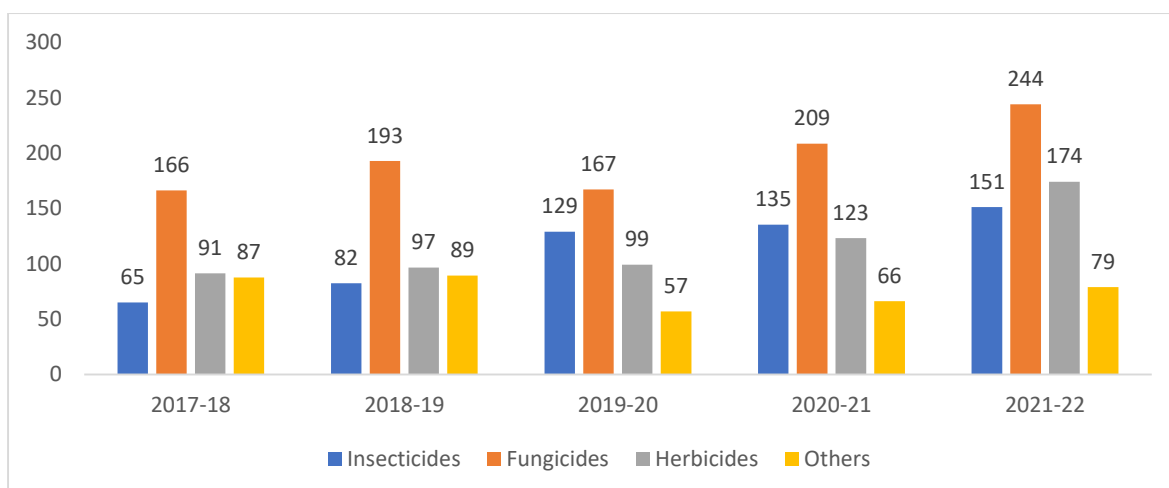
### Trend in segment-wise pesticides export

- Segment - wise export volume**

Of all the pesticides segments, fungicides accounted for the largest share of 39.1% on an average over the five-year period 2017-18 to 2021-22 in terms of volume. This was followed by herbicides, insecticides and others that contributed 23.3%, 22.5% and 15.1%, respectively, towards total pesticides exports.

In terms of CAGR, the largest segment – fungicides, increased at a CAGR of 10.1% slower than the CAGR of insecticides (23.5%) and herbicides (17.5%) segments. The remaining segment, others, however, declined at a CAGR of 2.5% during the five-year period.

**Chart 12: Segment - wise pesticides export volume ('000 tonnes)**



Source: Directorate of Plant Protection, Quarantine & Storage

- **Segment - wise export volume (Outlook)**

An increase in Indian pesticides exports is expected to continue going forward backed by demand from the international market. The pesticide export volumes are estimated to grow at a CAGR of 6%-7% by 2026-27 (~870 thousand tonnes) with the fastest pace of rise likely to be witnessed by insecticides segment (9%-10%) followed by herbicides (6.5%-7.5%) and fungicides (4%-5%).

**Table 9: Outlook for export volumes of pesticides (segment-wise) ('000 tonnes)**

Segments	2021-22	2026-27P	CAGR
Insecticides	151	~240	9.0%-10%
Fungicides	244	~316	4.0%-5.0%
Herbicides	174	~249	6.5%-7.5%
Others	79	~66	(-3.5%)-(4.0%)
<b>Total</b>	<b>648</b>	<b>~870</b>	<b>6.0%-7.0%</b>

Source: Directorate of Plant Protection, Quarantine & Storage, XXX Research

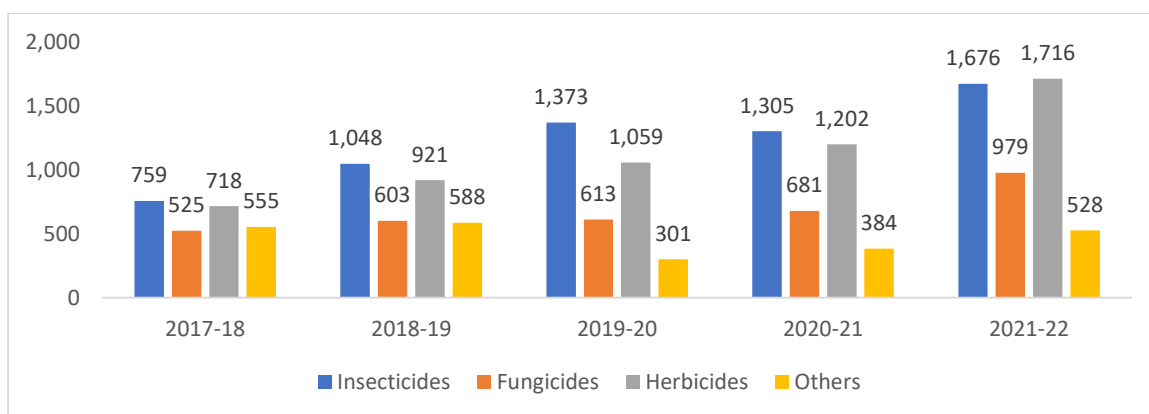
Note: P is projected

- **Segment - wise export value**

The scenario of segments in terms of contribution towards pesticides export value however is different with insecticides segment accounting for the highest share of 35.1% on an average during 2017-18 to 2021-22. This was followed by herbicides segment which contributed 32% in total pesticides exports value. Fungicides segment that had the largest share in terms of volume accounted for a smaller share of 19.4% in outbound shipments. The remaining segment, others, contributed 13.4% on an average during the five years.

In terms of CAGR, the herbicides segment reported the fastest CAGR of 24.4% during 2017-18 to 2021-22 followed by insecticides and fungicides that increased at a CAGR of 21.9% and 16.9%, respectively. The others segment, on the other hand, declined by a CAGR of 1.3% during the five-year period.

**Chart 13: Segment - wise pesticides export value (USD million)**



Source: Directorate of Plant Protection, Quarantine & Storage

Note: This includes data on both technical and formulations

#### • Segment - wise export value (Outlook)

The demand for Indian pesticides globally will drive the export value of the industry. The pesticides exports from India are expected to grow at a CAGR of 10%-11% by the year 2026-27.

**Table 10: Outlook for export value of pesticides (segment-wise) (USD million)**

Segments	2021-22	2026-27P	CAGR
Insecticides	1,676	3,082	13%-14%
Fungicides	979	1,513	8.5%-9.5%
Herbicides	1,716	2,955	11.5%-12.5%
Others	528	453	(2.0%) to (3.0%)
<b>Total</b>	<b>4,898</b>	<b>8,003</b>	<b>10.0%-11.0%</b>

Source: Directorate of Plant Protection, Quarantine & Storage, XXX Research

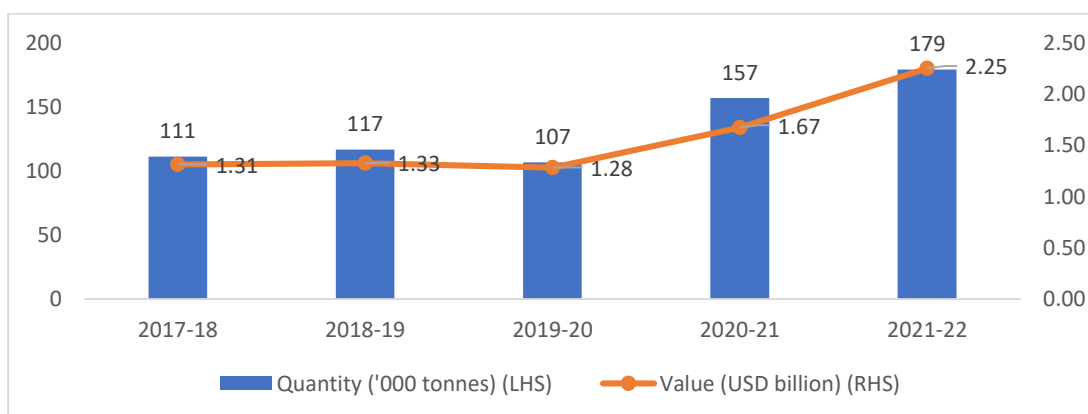
Note: P is projected

#### Pesticides imports

##### Trend in pesticides imports by India

The quantity of pesticides imported by India is quite less compared to that of the pesticides exports. The quantity of pesticides imported by India has increased at a pace of 12.6% CAGR which is similar to that of exports (12.1% CAGR) during the period 2017-18 to 2021-22. The imports increased to 179 thousand tonnes in 2021-22 from 111 thousand tonnes in 2017-18. The value of imports grew at a higher CAGR of 14.4% from USD 1.31 billion (Rs.85 billion) in 2017-18 to USD 2.25 billion (Rs.168 billion) in 2021-22.

**Chart 14: Trend in imports of key pesticides by India**



Source: Directorate of Plant Protection, Quarantine & Storage

Note: This includes data on both technical and formulations

China is the major source of pesticides imports and accounted for around half of India’s total imports with a share of 47.4% during 2021-22. This was followed by USA, Taiwan and Israel contributing 14.5%, 7% and 6.8%, respectively. Other countries from which pesticides were imported included Germany (share of 4.3%), while Thailand, Japan, Singapore, Belgium, UK and Netherlands accounted for around 2%-3% of the total pesticides imports by India.

**Table 11: Volume-wise top source of pesticides imports for India 2020-21**

Country	Share
China	47.4%
USA	14.5%
Taiwan	7.0%
Israel	6.8%

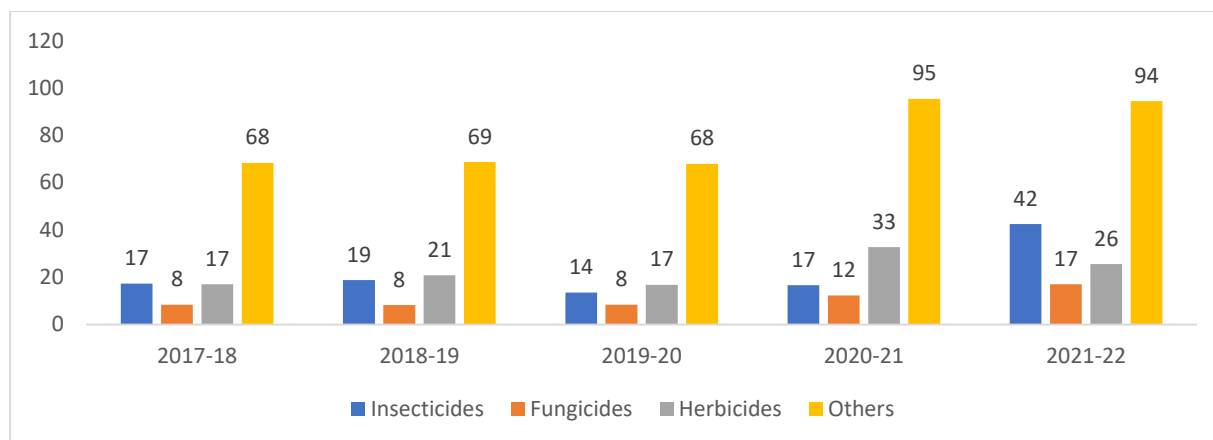
Source: CMIE

### Trend in segment-wise imports

- Segment-wise import volume**

Of all the pesticides segment imported by India, herbicides accounted for 16.8% followed by insecticides and fungicides with a share of 16.2% and 8.1%, respectively, on an average during 2017-18 to 2021-22. In terms of CAGR, while herbicides and fungicides grew around 10.6% and 19.5%, respectively, the quantity of insecticides imported increased at a faster CAGR of 25.1% during 2017-18 to 2021-22.

**Chart 15: Segment - wise pesticides import volume ('000 tonnes)**



Source: Directorate of Plant Protection, Quarantine & Storage

Note: Others include fumigants, plant growth regulators and miscellaneous (where miscellaneous comprises disinfectants, paper impregnated, repellent for insect, weedicides and weed killing agents etc.)

Apart from this, imports also include fumigants, plant growth regulators and miscellaneous (where miscellaneous includes disinfectants, paper impregnated, repellent for insect, weedicides and weed killing agents etc.) that are together covered under others. The component others accounted for the remaining share of 58.8% on an average during the period 2017-18 to 2021-22 and it grew at a CAGR of 8.4%.

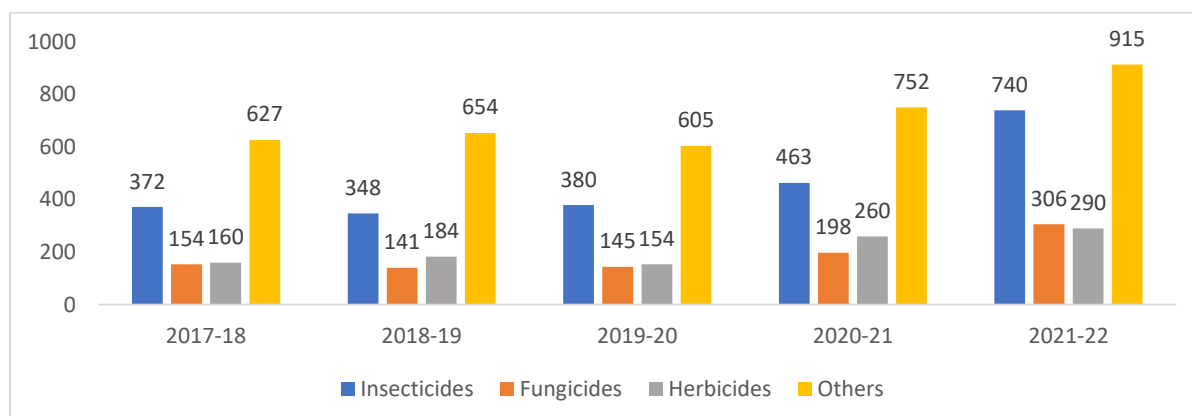
- Segment-wise import value**

During the five-year period 2017-18 to 2021-22, insecticides, herbicides and fungicides contributed about 29.3%, 13.4% and 12%, respectively, in the overall import value of pesticides. The component others as described above accounted for the remaining share of 45.3% on an average in terms of import value.

On CAGR front, the pesticides import of the three components (excluding others) grew in double-digit in the range of 16%-19% during these years. The component others increased at a CAGR of 9.9% in the five-year period

2017-18 to 2021-22.

**Chart 16: Segment - wise pesticides import value (USD million)**



Source: Directorate of Plant Protection, Quarantine & Storage

Note: Others include fumigants, plant growth regulators and miscellaneous (where miscellaneous comprises disinfectants, paper impregnated, repellent for insect, weedicides and weed killing agents etc.)

**Industry growth drivers**

- **Agriculture:**

Agriculture is the primary source of livelihood for about 58% of India’s population. As a result, the share of agriculture and allied sector to total economy’s Gross Value Added (GVA) has been significant and has increased over the years as shown here in the table.

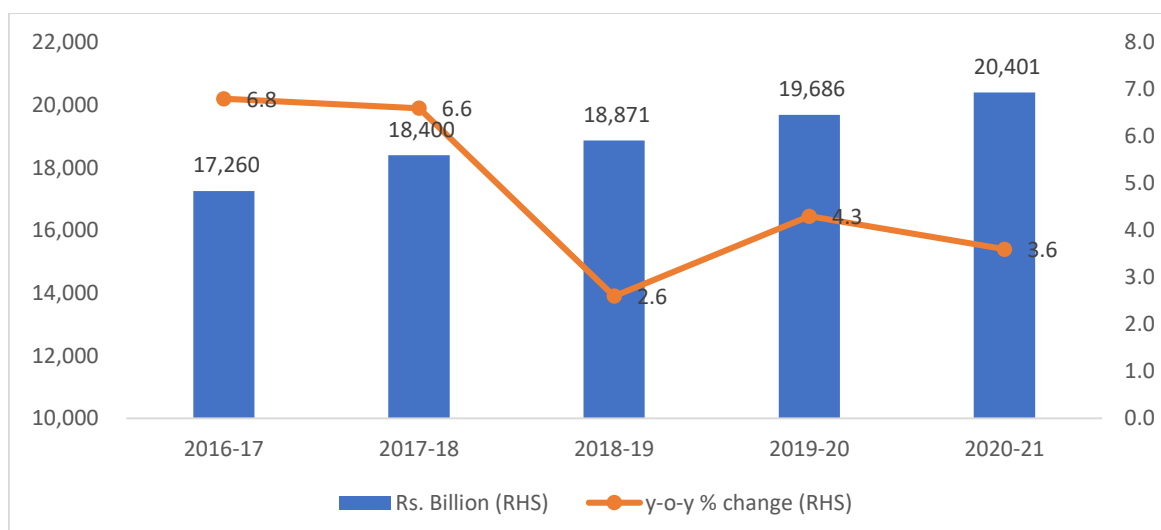
**Table 15: Percentage share of GVA of agriculture and allied sector to total economy**

Year	% share
2018-19	17.6
2019-20	18.4
2020-21	20.2

Source: PIB release

The expansion in share of agriculture and allied sector’s GVA is backed by an upward trend in the GVA of agriculture activities. During the five year period 2016-17 to 2020-21, the GVA for agriculture increased at a CAGR of 4.3% from Rs.17,260 billion in 2016-17 to Rs.20,401 billion in 2020-21.

**Chart 19: Trend in agriculture GVA at constant prices (Rs. billion)**



Source: CMIE

The growth in agriculture GVA has been supported by various measures on credit, market reforms and food processing. Moreover, in addition to several measures aimed at increasing productivity and improving marketing of agricultural produce, the government also carries out a large food management programme with a significant financial implication in terms of food subsidy. The growth in agriculture sector is expected to result in more demand of agrochemicals in India thus aiding its overall production and consumption.

- **Government support:**

The government provides aid to the rural economy through various budget announcements that aim at reviving rural areas and raising farmer's income. In addition to this, growth in credit facilities to farmers through institutional credit mechanisms and low interest rate farm loans are likely to motivate farmers towards usage of pesticides that helps increase the productivity and yields of crops. Besides, increase in minimum support price (MSP) of crops also may contribute to pesticides usage.

- **Growth in food demand:**

With expected increase in population, the demand for food grain in India is likely to rise. These consumption requirements are to be met with decreasing arable land and small holdings of land. Thus, raising farm productivity becomes important and this can be done with optimal usage of products like agrochemicals. It is to be noted that per hectare consumption of pesticides in India is one of the lowest in the world.

- **Increase in demand of horticulture and floriculture:**

Fruits and vegetables have a significant share of around 90% in the Indian horticulture output. With increase in consumption of healthy and nutritive food, demand of fruits and vegetables is likely to augment. This, in turn, is expected to support higher consumption of fungicides which helps in contracting post-harvest losses in fruits and vegetables.

- **Increase in awareness of Bio-pesticides:**

Increase in awareness with respect to environment friendly usage of agrochemicals and the use of integrated pest management (IPM) mechanism are expected to encourage the application of bio-pesticides. The bio-pesticides market in India constitutes a small proportion, which provides an opportunity to the segment to grow moving forward.

- **Off-patent molecules:**

Any pesticide that goes off-patent provides an opportunity to the Indian industry to develop generic molecules. Such an event thus opens up opportunity for Indian manufacturers to increase their exports. An opportunity amounting around USD 5 billion is estimated to go off-patent by FY27. This is likely to support pesticide exports from India going forward.

- **Export markets:**

The outbound shipments account for a major share of the Indian agrochemicals market and has grown at a CAGR of around 8.8% over the five year period 2016-17 to 2020-21 thus driving the overall agrochemicals industry. These exports have not just supported the agrochemicals industry but also the overall chemical exports from India as the contribution of pesticides has been significant. Pesticides exports accounted for about 45% of the chemical exports value during 2019-20. To support the ambition of making India a USD 5 trillion economy by 2025, the Indian agrochemical industry is estimated to make outbound shipments of around Rs.385 billion by 2025. This target is also likely to encourage agrochemical/pesticides exports from India.

### **Challenges faced by industry**

- **Research & Development (R&D) costs:** The companies are required to invest in R&D to develop new molecules that usually involves high cost. Also, developing a new molecule takes around 9 years on an average. While R&D is important to introduce innovation, the investment and time it demands restricts the development of R&D.
- **Distribution systems:**

The weak distribution system hinders the reach of agrochemicals to each and every remote area of the country. This, in turn, restricts its availability to the users that are spread at the remotest location of India. The industry requires efficient distribution through retailer to enhance its availability
- **Spurious products:**

Unavailability of pesticides at different locations gives an opportunity to spurious products to make their way. The usage of these counterfeit products, in turn, may also affect the crops besides being ineffective thus harming the honor of agrochemicals industry and its sales. Unawareness among farmers also contribute towards the growth of such products.
- **Lack of awareness:**

There is lack of awareness among farmers with respect to optimum and proper application of pesticides which is affecting the growth of agrochemicals industry. The companies however have been working towards increasing awareness about the usage of pesticides in farmers. Also, companies have been educating the farmers about the benefits of agrochemicals and its safe usage. This is expected to increase the demand for pesticides.

Companies are educating farmers on aspects such as right quantity, right use, right application method for usage of pesticides. Besides, farmers are also trained with respect to appropriate chemicals that are to be used for identified pest problems.

- **Genetically Modified (GM) seeds:**

GM seeds have the potential to decrease the application of pesticides. These seeds introduce pest avoidance qualities in high yielding crops. GM seeds thus have immunity developed in them which tends to prevent them from vagaries of nature. This quality of GM seeds thus have the potential to affect the demand of agrochemicals.
- **Organic farming:**

With growing health-consciousness among people, there has been an increase in demand of organic food and thus organic farming. Thus, there is need for agrochemicals industry to consider these concerns and work towards addressing the same thus preventing the impact of such concerns on industry growth.

### **Introduction to pyrethroids**

According to Biotechnology and Biological Sciences Research Council (BBSRC), natural pyrethrins are derived from *Chrysanthemums*, the same genus as common daisies, and are an important component of plant defences against insect pests. For thousands of years they have been extracted and used to combat insect pests. However, the natural pyrethrins are not particularly effective when used on fields of crops as they are quite unstable, breaking down quickly when exposed to sunlight. To overcome their limitations, scientists developed synthetic compounds, called pyrethroid insecticides, based on the chemistry of the natural pyrethrins. Both work by targeting sodium channels in the cell membranes of insect nervous systems. By locking these channels open, the pyrethroids block normal nerve impulses, paralysing the insect and ultimately killing it.

Compared to natural pyrethrins, the synthetic pyrethroids are more stable in direct sunlight. They are also

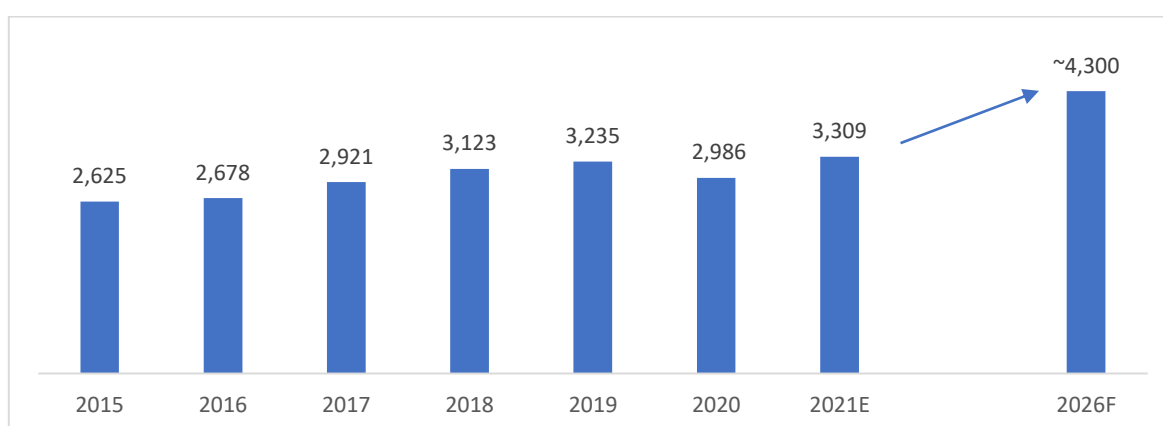


significantly more effective against a wider range of insects, so farmers need to apply less insecticide to their crops. This also means pyrethroids are less likely to build up to dangerous levels in the environment. However, pyrethroids can harm some beneficial insects such as bees or the parasitic wasps that prey on pests, and they are also toxic to fish and other aquatic organisms. Because humans possess enzymes that quickly break down pyrethroid insecticides, the pyrethroids are only toxic to people in large quantities or over long periods of time.

### Global pyrethroids market

The global pyrethroids market increased at a CAGR of 4% from USD 2,678 million in 2016 to USD 3,309 million in 2021. This increase in the market is backed by agricultural requirements as the use of pyrethroids help improves crop yield. They are also safer compared to organophosphate pesticides. In addition to this, the global pyrethroids market is also supported by public health and animal health needs. These factors are expected to aid the global pyrethroids market and the industry is expected to increase a CAGR of around 5% to touch the size of approximately USD 4,300 million by 2026.

**Chart 20: Trend in global pyrethroids market (USD million)**



Source: Industry sources, XXX Research estimates (E) forecast (F)

### Share of user industries in global pyrethroids market

Agriculture is the largest user industry of pyrethroids market in the international market, which accounts for around 75% of the market value where pyrethroids help improves yield of crops by killing the insects. The other end users include public health and animal health with an approximate share of 20% and 5%, respectively, in pyrethroids market.

**Table 16: Share of user industries in global pyrethroids market 2021E (in %)**

User industry	% share
Agriculture	75
Public health	20
Animal health	5
<b>Total</b>	<b>100</b>

Source: Industry sources, XXX Research estimates (E)

The use of pyrethroids in public health involves usage in public and domestic hygiene, protection from malaria etc. Pyrethroids are utilized to impregnate bed nets to reduce the proliferation of malaria as per World Health Organisation’s Global Malaria Programme etc. In case of animal health, they are used against all types of parasites in livestock, dogs, cats among others.

### Global pyrethroids market by product type

The global pyrethroids is led by cypermethrin accounting for the highest share of 24% followed by lambda-

cyhalothrin (22%), deltamethrin (12%), bifenthrin (10%), permethrin (7%) and others (25%).

**Table 17: Global pyrethroids market by product type 2021E**

Market by product type	% share
Cypermethrin	24
Lambda-Cyhalothrin	22
Deltamethrin	12
Bifenthrin	10
Permethrin	7
Others	25
<b>Total</b>	<b>100</b>

Source: Industry sources, XXX Research estimates (E)

**Cypermethrin:** They are used in application on long-lasting insecticidal nets that are largely used for prevention from mosquitoes that spread malaria, dengue and yellow fever diseases.

**Lambda-cyhalothrin:** The market for this product is led by an increase in concerns about diseases that are transferred by insects, increase in commercial pest management services and rise in awareness about disease prevention.

**Deltamethrin:** The advancement of efficient technologies, increase in consumption of home pest control, growth in government initiatives to augment agriculture yields are among the prime factors supporting the rise of this market.

**Bifenthrin:** This is a type of synthetic pyrethroid which finds its application in protection of pests and insects, like mosquitoes, ticks, fleas, termites, and cockroaches. Bifenthrin can be found in various forms such as sprays and granules. The demand for bifenthrin has grown with an increase in the production of food crops.

**Permethrin:** The toxicity of permethrin for mites is its driving factor. Also, toxicity in case of other insects is also driving its demand from several insecticidal applications. Another use that is pharmaceutical in nature includes head lice treatment that is also supporting its consumption. Increasing health awareness among consumers is also increasing pharmaceutical applications of permethrin.

Permethrin, cypermethrin, and deltamethrin are mainly applied as active ingredients in nets. DDT (dichloro-diphenyl-trichloroethane) and pyrethroids have the same mode of action.

## Pyrethroids market in India

### Overview

Pyrethroids are found to be highly cost-effective by most farmers (which supports farm economics per acreage) and are beneficial to them as they are substantially more effective against an extensive range of insects. They act fast, are very adequate against chewing insects and have very low water solubility. This implies that pyrethroids are less likely to result in threatening levels in the environment. Pyrethroids need very low dosage to attack and kill insects in comparison to organophosphate pesticides and they are low in toxicity to mammals and birds. Their insecticidal job remains active over a longer duration that aids in controlling overlapping generations of pests. They are also easily biodegradable in nature.

Earlier in India, pyrethroids were applied significantly on the cotton crops that provided higher returns on investment. However, when BT cotton was launched in India in initial 2000s, this resulted in reduction in pesticides to be applied to a crop. This affected pyrethroids market as the area under BT cotton cultivation increased sharply over a period of 13 years. The area under BT cotton cultivation grew to 119 lakh hectares

(accounting for about 93% of the total 128 lakh hectares) in 2014-15 from a marginal 0.29 lakh hectares (that accounted for a share of only around 0.4% of the total 77 lakh hectares) in 2002-03. This caused the demand for pyrethroids to remain static till about 2015 and subsequently producers started looking for pyrethroids application in rice, fruits and vegetables.

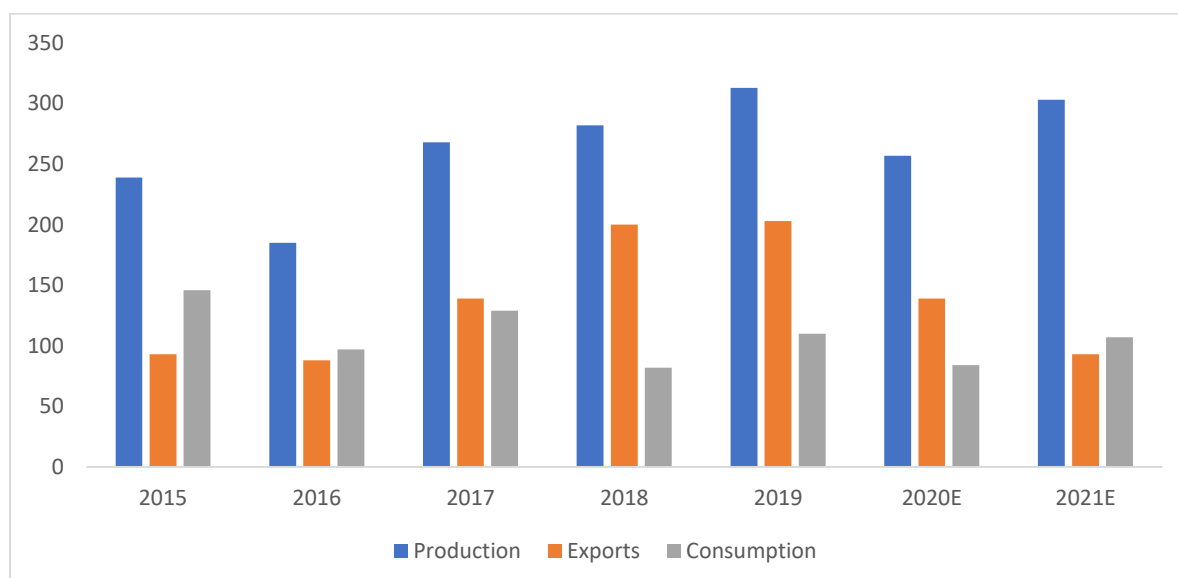
Nevertheless in 2016, pyrethroids saw a revival in demand mainly on account of the need for a substitute for some organophosphates (OP) and carbamates that were under scrutiny for their high toxicity risks. Moreover, pyrethroids found opportunity in several areas like home and garden and animal health applications. They are also utilised to impregnate bed nets, in case of vector control, that contracts the spread of malaria.

Over a period of time, India has emerged as the largest producer of pyrethroids. China that accounts for more than half of the international need of pyrethroids was accustomed to make pyrethroids after importing intermediates from India. However, China in a bid to improve air quality have led to the closure of various chemical plants. This has supported higher export volume of pyrethroids from India.

### Trend in Indian pyrethroids market

The Indian pyrethroids production value had increased at a CAGR of 10% from USD 185 million in 2016 to USD 303 million in 2021 and the production volume of pyrethroids grew at a CAGR of 11% from 10,721 tonnes in 2015 to 18,143 tonnes in 2021.

**Chart 21: Trend in India's pyrethroids market (USD million)**



Source: Industry sources, XXX Research estimates (E)

The growth in India's pyrethroids production and exports have been primarily supported by agriculture (the largest end user industry accounting for around 80% of the Indian pyrethroids market) followed by demand from user industries like public health and animal health that contributed about 17% and 3%, respectively, towards the Indian pyrethroids market. Going ahead, these factors will continue to help the pyrethroids market in India and will also provide aid to pyrethroids exports from India.

**Table 18: Outlook estimates for pyrethroids market in India**

Indicators	2015	2016	2017	2018	2019	2020E	2021E	2026E	Outlook CAGR
<b>Volume (in tonnes)</b>									
Production	11,415	10,721	12,525	15,155	17,747	16,877	18,143	27,938	8%-9%
<b>Value (in USD million)</b>									
Production	239	185	268	282	313	257	303	513	9%-10%

Indicators	2015	2016	2017	2018	2019	2020E	2021E	2026E	Outlook CAGR
Consumption	146	97	129	82	110	84	107	246	16%-18%
Exports	93	88	139	200	203	139	93	213	16%-18%

Source: Industry sources, XXX Research estimates (E)

## Industry regulations and government initiatives

### The Pesticide Management Bill 2020

The Insecticides Act, 1968 (the Act) was enacted to regulate the import, manufacture, sale, transport, distribution and use of insecticides with a view to prevent risk to human beings or animals. In the said Act, there is a lack of sufficient deterrence against violations and there is no stricter penalty to safeguard the farmers interest. There is also no mechanism to regulate pricing and disposal in an environmentally sound manner. Further, the Act is more than fifty years old and its provisions are inadequate to meet the multi-dimensional management and administration of pesticides in present times. It is also important to align India's obligations with various International forums.

In view of the above, stricter penalties are required for safeguarding the interest of farmers, which is jeopardised by the rampant availability of the pesticides which are of dubious and deceptive identity, composition and source. Representation of farmers and greater participation of States in formulation of technical standards for holistic management of pesticides is required. It is also pertinent to strike a balance amongst all stakeholders' aspirations.

In this background, a need was felt to bring a new legislation providing for better management of pesticides. With this in view, it is proposed to replace the Insecticides Act, 1968 by a new legislation, namely, the Pesticide Management Bill, 2020.

The proposed Bill, inter alia, provides for the following, namely:

- (i) to ensure transparency and effective implementation of the provisions of the proposed legislation and also to enable the Central Government to make rules relating to the manner in which the powers and functions of the Registration Committee would be exercised;
- (ii) provision has been made for encouraging indigenous manufacturing;
- (iii) provision has also been made for promoting pesticides that are biological and based on traditional knowledge;
- (iv) while registering a pesticide, the Registration Committee apart from evaluating its safety and efficacy, would also be guided by factors like necessity, end use, risk involved and availability of safer alternatives;
- (v) fixation of maximum residue limits for pesticides have been made mandatory;
- (vi) provision has been made for review, suspension and cancellation of registration and ban on pesticides;
- (vii) the State Governments may prescribe qualifications for Licencing Officer, Pesticide Inspector and Pesticide Analyst to be appointed by them;
- (viii) provision has been made to constitute an authority to exercise such powers and perform such functions relating to regulating the price of pesticides;
- (ix) provision has been made for deemed revocation of licences in case of cancellation of registration of a pesticide;
- (x) the Central Government may, by notification, specify ordinary use pesticides in respect of which a licence to sell or stock will not be required;
- (xi) empowering the Central Government and the State Governments to accredit private laboratories to carry out any or all functions of a Pesticide Testing Laboratory on compliance of prescribed standards;
- (xii) offences have been categorised separately in terms of the degree of severity like 'punishment for obstruction', 'punishment on violations of conditions of registration and licensing', 'punishment for activities related to import and export of pesticides', 'punishment for activities involving unregistered and unlicensed pesticides', 'punishment for activities involving falsified pesticides', 'punishment for activities involving banned pesticides', 'punishment for causing hurt, grievous hurt or death', etc.;
- (xiii) to deter the subsequent offences, a provision has been made for imposing a fine of not less than twice the fine that was imposed at the time of the first conviction, in case of subsequent offences,

- irrespective of the maximum fine provided for such offence;
- (xiv) it has also been provided that if a person is convicted for third time or more for violations of conditions of registration and licencing, he shall be liable to imprisonment for a term extending up to one year;
  - (xv) provision has been made to empower the Central Government to constitute a fund, inter alia, for making ex gratia payments to persons or their legal heirs, as the case may be, who have suffered hurt, grievous hurt or have died in the course of poisoning due to occupational exposure to pesticide;
  - (xvi) to enable the Central Government to give directions to a State Government, the Central Pesticide Board and in case of exigency, to the Registration Committee for carrying out all or any of the provisions of the proposed legislation or rules made thereunder.

The Bill seeks to achieve the above objectives.

The Pesticide Management Bill 2020 was under assessment by the Parliamentary Standing Committee on Agriculture. The government had asked for public inputs. The Committee has recently submitted its report in December 2021 where it suggested several measures to further strengthen the Pesticide Management Bill, 2020 and to inculcate sufficient safety provisions for farmers and introduce a system of checks and balances against possible misuse of power by pesticide inspectors. Also, the Committee rejected the pesticides industry's demand on three key issues – price control, criminalization and data protection.

The bill was presented in Rajya Sabha in 2008 with an aim to upgrade the act of 1968. In 2017, the act was upgraded and presented as a draft. The bill was introduced by the Agriculture Minister in the Rajya Sabha in 2020.

The bill is expected to protect farmers from spurious brands and will promote pesticides that are biological in nature.

### **Central Insecticides Board and Registration Committee**

All the provisions of the Insecticides Act were brought into force with effect from 1st August, 1971. In the Act and the Rules framed there under, there is compulsory registration of the pesticides at the central level and licence for their manufacture, formulation and sale are dealt with at the state level. With the enforcement of the Insecticides Act in the country pesticides of very high quality are made available to the farmers and general public for house-hold use, for protecting the agricultural crops from the ravages of their pests, humans from diseases and nuisance caused by public health pests and the health hazards involved in their use have been minimised to a great extent. For the effective enforcement of the Insecticides Act, the two bodies have been constituted at the Central level viz. Central Insecticides Board and Registration Committee.

### **Central Insecticides Board - established Under Section 4 of the Insecticides Act, 1968**

#### **Objectives**

- a. The Central Insecticides Board advises the Central Government and State Governments on technical matters arising out of the administration of this Act and to carry out the other functions assigned to the Board by or under this Act.
- b. The matters on which the Board may advise includes :
  - the risk to human being or animals involved in the use of insecticides and the safety measures necessary to prevent such risk;
  - the manufacture, sale, storage, transport and distribution of insecticides with a view to ensure safety to human beings or animals.

#### **Functions**

- a. Advise the Central Government on the manufacture of insecticides under the Industries (Development and Regulation) Act, 1951 (65 of 1951).
- b. Specify the uses of the classification of insecticides on the basis of their toxicity as well as their being suitable for aerial application.
- c. Advise tolerance limits for insecticides residues and establishment of minimum intervals between the application of insecticides and harvest in respect of various commodities.

- d. Specify the shelf-life of insecticides.
- e. Suggest colourisation, including colouring matter which may be mixed with concentrates of insecticides, particularly those of highly toxic nature.
- f. Carry out such other functions as are supplemental, incidental or consequential to any of the functions conferred by the Act or the Rules.
- g. By laws have been framed for Central Insecticides Board. The by laws require Central Insecticides Board to meet atleast once in 6 months.

### **Registration Committee - established under Section 5 of the Insecticides Act, 1968**

#### **Objectives**

- a. To register insecticide after scrutinizing their formulae and verifying claims made by the importer or the manufacturer, as the case may be, as regards their efficacy and safety to human being and animals; and
- b. To perform such other functions as are assigned to it by or under this Act.

#### **Functions**

The Registration Committee shall, in addition to the functions assigned to it by the Act, perform the following functions, namely

- a. Specify the precautions to be taken against poisoning through the use or handling of insecticides
- b. Carry out such other incidental or consequential matters necessary for carrying out the functions assigned to it under the Act or these rules.

Registration Committee meets normally once in a month to transact its business. It meets fortnightly exclusively for registration for export, if required.

#### **Proposal to ban some pesticides**

The government considering the demands of nations that imports from India have banned certain pesticides to avoid the loss of exports from India. For example, pesticide residue problems affected the exports of Basmati rice to the European Union (EU) following strict rules imposed by the EU on usage of chemicals. Similarly, Saudi Arabia also insisted on tightening norms on the minimum residue levels of pesticides on Basmati rice imported from India. Punjab, which accounts for close to half of the exported rice from India, then announced a ban on the usage of 9 chemicals during the kharif season 2020.

The Union government also reviewed 66 contentious pesticides for their toxicity. While 18 of these were banned in 2018, the government, in January 2021, had appointed an expert panel to review the agrochemicals industry's objections to the proposed ban on 27 widely used pesticides.

#### **Government initiatives**

Agriculture being a state subject, the State Government is primarily responsible for the growth and development of agriculture sector and developing perspective plans for their respective states and ensuring effective implementation of the programmes/schemes. However, Government of India supplements the efforts of the State Governments through various schemes / programmes. The details of various schemes, reforms and policies are given below:

- Unprecedented enhancement in budget allocation
- Fixing of MSP at one-and-a half times the cost of production
- Increase in procurement from farmers
- Income support to farmers through PM KISAN
- Pradhan Mantri Fasal BimaYojana (PMFBY)
- Institutional credit for agriculture sector
- Providing Soil Health Cards to farmers
- Promotion of organic farming in the country
- Neem Coating of Urea
- Agri Infrastructure Fund
- Promotion of FPOs Scheme

- National Bee and Honey Mission (NBHM)
- Pradhan Mantri Krishi Sinchai Yojana (PMKSY)
- Micro Irrigation Fund
- Agricultural Mechanization
- Changes in Disaster Relief Standards
- Setting up of E-NAM extension Platform
- Improvement in farm produce logistics, Introduction of Kisan Rail
- Creation of a Start-up Eco system in agriculture and allied sector

Government has taken several steps for increasing investment in agriculture sector such as enhanced institutional credit to farmers; promotion of scientific warehousing infrastructure for increasing shelf life of agricultural produce; setting up of Agri-tech Infrastructure Fund for making farming competitive and profitable; developing commercial organic farming etc.

Government is implementing various schemes for supply of farm inputs, like seeds, fertilizers, agricultural machinery and equipments, irrigation facilities, institutional credit, etc., at subsidized rates to the farmers in the country. Government has recently taken several steps for increasing investment and growth in agriculture sector which include creation of Long Term Irrigation Fund (LTIF), Micro Irrigation Fund for water use efficiency, promotion of commercial organic farming, etc. The details of such major schemes /steps are given below.

Government of India has launched the Central Sector Scheme of financing facility under Agriculture Infrastructure Fund (AIF) to boost Agriculture Infrastructure relating to post harvest management and community farming assets.

Under this scheme entities such as farmers, agri entrepreneurs, starts up, Central/ State agency or local body sponsored public private partnership projects etc. can take benefit for setting up eligible infrastructure projects.

#### **Rashtriya Krishi Vikas Yojana (RKVY)**

Under Rashtriya Krishi Vikas Yojana (RKVY) Scheme of Ministry of Agriculture, grants-in-aid is given to state governments on the basis of the projects approved in State Level Sanctioning Committee Meeting (SLSC). States can take up projects for the development of Agriculture and allied sector in Public Private Partnership (PPP) for Integrated Agriculture Component.

#### **Mission for Integrated Development of Horticulture (MIDH)**

Under Mission for Integrated Development of Horticulture (MIDH) of this Ministry financial assistance in the range of 35% to 55% of eligible projects cost is available in the form of credit linked back ended for creation of Post-Harvest management infrastructure like Pack Houses, Pre-cooling units, Integrated pack houses, Refrigerator van, Primary/mobile Processing unit, cold storage etc farm gate level to consumption level.

The post-harvest component is demand/entrepreneurs-driven from among entrepreneurs, private companies, cooperatives, farmers groups etc. through commercial ventures for which assistance is available through respective State Horticulture Mission.

#### **Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) Scheme**

The Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) Scheme is being implemented with a view to provide income support to all landholding farmer families across the country, to enable them to take care of expenses related to agriculture and allied activities as well as domestic needs. The Scheme, effective from 1.12.2018, aims to provide a payment of Rs.6000/- per year for the farmers' families with cultivable land holding, subject to certain exclusions. The financial benefit of Rs.6000/- is being released by the Central Government in three 4-monthly instalments of Rs.2000/- over the year directly into the bank accounts of the eligible farmers under Direct Benefit Transfer mode.

Further, Government of India has launched the Aatmanirbhar Bharat Abhiyan (ABA) to strengthen Infrastructure, Logistics, Capacity Building, Governance and Administrative Reforms for Agriculture.

In addition to this, the government has been working towards doubling farmers income by 2022. With respect to this, the government had constituted an Inter-ministerial Committee in April 2016 to examine issues relating to

“Doubling of Farmers Income” (DFI) and recommended strategies to achieve the same. The committee submitted its report to the government in September 2018 containing the strategy for doubling of farmers’ income by the year 2022.

The DFI strategy as recommended by the Committee include seven sources of income growth viz;

- (i) improvement in crop productivity;
- (ii) improvement in livestock productivity;
- (iii) resource use efficiency or savings in the cost of production;
- (iv) increase in the cropping intensity;
- (v) diversification towards high value crops;
- (vi) improvement in real prices received by farmers; and
- (vii) shift from farm to non-farm occupations.

	<b>Bharat Rasayan Ltd.</b>	<b>Dhanuka Agritech Ltd.</b>	<b>Dharmaj Crop Guard Ltd.</b>	<b>Heranba Industries Ltd.</b>	<b>India Pesticides Ltd.</b>	<b>Punjab Chemicals &amp; Crop Protection Ltd.</b>	<b>Rallis India Ltd.</b>	<b>Sumitomo Chemical India Ltd.</b>
<b>Year of incorporation</b>	1989	1980	2015	1996	1984	1975	1948	2000
<b>Number of products in portfolio</b>	200+	100+	190+	290	151+	7	NA	200+
<b>Infrastructure</b>								
Total manufacturing sites	2	3	1	3	2	3	4	5
Capacity (MT)	33,000	NA	25,500	14,024	19,500	23,502	27,780	NA
<b>Network</b>								
Distributors	NA	6,500	3,700+	9,400	NA	NA	3,879	14,000
Depots	NA	NA	8	21	20	NA	28	65
Countries	65	NA	20	60	20	NA	31	60

<b>Parameters</b>	<b>Bharat Rasayan Ltd.</b>	<b>Dhanuka Agritech Ltd.</b>	<b>Dharmaj Crop Guard Ltd.*</b>	<b>Heranba Industries Ltd.</b>	<b>India Pesticides Ltd.</b>	<b>Punjab Chemicals &amp; Crop Protection Ltd.</b>	<b>Rallis India Ltd.</b>	<b>Sumitomo Chemical India Ltd.</b>
Revenue FY22 (Rs. million)	13,112	14,778	3,002	14,504	7,161	9,306	26,034	30,636
PBIDT FY22 (Rs. million)	2,710	2,801	323	2,643	2,187	1,391	2,443	6,385
Net profit FY22 (Rs. million)	1,771	1,967	211	1,790	1,526	808	1,323	4,337
Revenue CAGR % (FY19-FY22)	9.5	13.7	46.9	13.0	28.0	13.3	9.6	11.0
PBIDT CAGR % (FY19-FY22)	12.6	18.7	70.1	23.9	45.8	22.2	-3.6	29.0
Net profit CAGR % (FY19-FY22)	16.7	20.5	103.6	33.4	51.5	58.6	-5.0	37.5



## OUR BUSINESS

*Some of the information in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forwarding – Looking Statements” on page 20 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. Also read “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting our Results of Operations” on pages 31 and 278, respectively, for a discussion of certain factors that may affect our business, financial condition or result of operations.*

*You should read the following discussion in conjunction with our Restated Financial Information as of, and for the four months period ended July 31, 2022 and the years ended March 31, 2022, 2021 and 2020. Our Restated Financial Information for the four months period ended July 31, 2022, Fiscals 2022, 2021 and 2020, have been prepared under Indian Accounting Standards (“Ind AS”), the Companies Act and the SEBI ICDR Regulations. For further details, please see “Financial Information” on page 218.*

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, including, in particular, the report “Report on Pesticides Industry” dated October 2022 (the “Company Commissioned CareEdge Report”) prepared and issued by CARE Advisory Research and Training Limited commissioned and paid for by us. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Company Commissioned CareEdge Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

### OVERVIEW

We are an agrochemical company engaged in the business of manufacturing, distributing, and marketing of a wide range of agro chemical formulations such as insecticides, fungicides, herbicides, plant growth regulator, micro fertilizers and antibiotic to the B2C and B2B customers. We also engage in the marketing and distribution of agrochemical products under brands in-licensed by us, owned by us and through generic brands, to Indian farmers through our distribution network. We provide crop protection solutions to the farmer to assist them to maximize productivity and profitability. We export our products to more than 25 countries in Latin America, East African Countries, Middle East and Far East Asia. We sell our agrochemical products in granules, powder and liquid forms our customers. Additionally, we manufacture and sell general insect and pest control chemicals for Public Health and Animal Health protection.

With an aim to offer a wide product portfolio across the agri-value chain, we continue to expand our product portfolio by introducing new products. We manufacture and sell various formulations of insecticides, fungicide and herbicides, plant growth regulators, micro fertilizers and antibiotics. As on the date of this Red Herring Prospectus, we have obtained 464 registrations for agrochemical formulations from the CIB&RC, out of which 269 agrochemical formulations are for sale in India as well as for export and 195 agrochemical formulations are exclusively for exports. Additionally, we have also applied for registrations of 18 agrochemical formulations and 17 agrochemical technicals from the CIB&RC, which are pending at various stages.

We have 157 trademark registrations including our branded products. Our formulations are sold as branded products to customers. As of September 30, 2022, we had over 118 branded formulations that are sold to farmers. We sell bulk products to our institutional customers domestically and in the international markets. Further, as of September 30, 2022, we had more than 154 institutional products that we sold to more than 600 customers based in India and in the international markets. As of September 30, 2022, we exported our products to more than 66 customers across 25 countries.

We classify our product portfolio under the following categories:

- a. **Insecticides:** We manufacture a wide range of insecticides to suit the requirement of farmers in preventing and curating different crops from being damaged by insects. We develop effective, safe, and sustainable range of insecticides to help farmers and prevent the crops from damage. Certain of our top branded insecticides products are Padgham, Lubrio, Nilayaan, Dahaad, Prudhar and Remora amongst others.
- b. **Fungicides:** We manufacture a wide range of fungicides that protect the crop from the diseases caused by pathogenic organisms. Fungicide is a specific type of pesticide that is responsible for controlling fungal

diseases by inhibiting the fungal growth and killing the fungus. Certain of our top branded fungicides products are Gagandip, Sajaag, Lokraj, Rishmat and Kaviraj amongst others.

- c. **Herbicides:** Herbicides effectively eliminate weeds and thus reduce mechanical and manual weeding. It also prevents soil erosion and the wastage of resources, ensuring optimum consumption of the resources by the desired plants. Certain of our top branded herbicides products are Dharozar, Aatmaj, Rodular, Dharolik, Kohha, Kawayat Super and Sadavirum amongst others.
- d. **Plant growth regulator:** We also manufacture plant growth regulator which are also known as plant hormones and helps in increasing the crop yield and improving its quality. Certain of our top branded plant growth regulator products are Rujuta, Greenoka, and Stabilizer amongst others.
- e. **Micro Fertilizers:** In order to increase the production of crops and to make the soil more fertile, we manufacture micro fertilizers such as sulphur, zinc, boron and ferrous. Micro fertilizers are required for crops to reap the maximum yield from crops. Under this category we sell branded products such as Zeekasulf, Aakuko, Thandaj and Zusta amongst others.
- f. **Antibiotic:** Antibiotic is a major tool to treat the bacterial issues of plants and tree fruits. Antibiotic boost and develop immune system of plants. Under this category we sell brand product namely Retardo.

For a detailed description of brands, institutional and exports business, see “– *Our Business Operations*” on page 160.

Our manufacturing facility is located at Plot No. 408 to 411, Kerala GIDC Estate, Off NH-8, Kerala, Taluka Bavla, Ahmedabad - 382220, Gujarat, India. As of November 30, 2021, our aggregate installed capacity of our manufacturing facility for agro-chemical formulations was 25,500 MT. Our Company manufactured 7,577.21 MT of agrochemical formulations in Fiscal 2021. Our manufacturing facility are equipped with modern plant and machinery capable of producing quality agrochemical products and have received quality control certifications such as ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 for development and manufacturing of agrochemical formulations such as insecticides, herbicides, fungicides, micro fertilizers and plant growth regulators. We have installed a soil bio reactor at our manufacturing facility which is used to treat waste/ sewage water and to remove pollutants. We have also installed solar power panels at our manufacturing facility to generate green power in order to optimally use the electricity which is sourced from third party during the manufacturing process. The aggregate capacity of our installed solar power panels is 85,320 KW per annum which caters to our electricity requirements at our manufacturing facility and helps us to reduce our dependency on third party electricity requirements.

We have a research and development (“**R&D**”) centre at our manufacturing facility. We also have a quality control laboratory at our manufacturing facility, which primarily monitors the quality of our raw materials and finished goods. Further, our quality control laboratory has received certificate of accreditation from National Accreditation Board for Testing and Calibration Laboratories (“**NABL**”) which has assessed and accredited in accordance with the standard ISO/IEC 17025:2017.

As a part of our expansion plans and in order to achieve backward integration for our operations, we have also acquired around 33,489.73 sq. mtrs of land at Saykha Industrial Estate, Bharuch, Gujarat, India on leasehold basis for 99 years from GIDC to set up a manufacturing facility for Agrochemical Technicals and its intermediates which will be used for internal consumption as well as for sales in domestic and international market. We have already obtained registrations of 6 agrochemical technicals and have applied for registration of 17 agrochemical technicals from the CIB&RC, which will be manufactured in this new manufacturing facility. We have also obtained certain regulatory approvals such as environment clearance for our new manufacturing facility. Pursuant to the setup of this manufacturing facility, our profit margins on our products would resultantly increase due to backward integration. For further details, see “*Key Strategies – Enhance our manufacturing capabilities by introducing backward integration and expand our product portfolio – Our Business*” and “*Funding capital expenditure towards setting up of a manufacturing facility at Saykha, Bharuch, Gujarat – Objects of the Offer*” on page 158 and 100, respectively.

We have established an extensive, pan-India distribution network for our domestic branded products business. Our branded products are sold in 17 states through network comprising over 4,362 dealers having access to 16 stock depots in India supporting the distribution of our branded products, as of September 30, 2022. We also carry out institutional sales of agro chemical products across India and international markets. We participate in various

international and domestic agrochemical exhibitions and industry conferences to market our products. We also educate farmers regarding the benefits of using our products by conducting farmer training programs such as field demonstrations, field shows, meetings with group of farmers, jeep campaigns and participating in village level programmes to establish direct relationship with farmer communities all over India.

Among our Promoters, Rameshbhai Ravajibhai Talavia who is our Managing Director, has over 28 years of experience in the agrochemical industry. Jamankumar Hansarajbhai Talavia, our Whole time Director, has over 22 years of experience in the agriculture industry. Jagdishbhai Ravjibhai Savaliya, our Whole time Director, has over 21 years of experience in the agriculture industry. Vishal Domadia who is our Chief Financial Officer has over 12 years of experience in the agriculture industry. Our management team is backed by a core technical team that has vast experience in manufacturing and also has the required technical know-how to manufacture the products which our Company is catering to. As of September 30, 2022, we had a total workforce of 314 and hire contract workers as and when required. For further details, see “*Our Management*” on page 189.

### ***Key Financial Information and Key Performance Indicators (KPIs)***

Our revenue from operations for Fiscals 2020, 2021 and 2022 and four months period ended on July 31, 2022 was ₹ 1,982.22 million, ₹ 3,024.10 million, ₹ 3,942.08 million and ₹ 2,209.40 million, respectively. Our EBITDA for Fiscals 2020, 2021 and 2022 and four months period ended on July 31, 2022 was ₹ 185.77 million, ₹ 320.38 million, ₹ 461.90 million and ₹ 268.53 million, respectively while our EBITDA margin was 9.37%, 10.59%, 11.72% and 12.15%, respectively, for similar periods. Our Profit After Tax was ₹ 107.59 million, ₹ 209.60 million, ₹ 286.90 million and ₹ 183.59 million for Fiscals 2020, 2021 and 2022 and four months period ended on July 31, 2022, respectively, while our Profit After Tax margin was 5.43%, 6.93%, 7.28% and 8.31%, respectively for similar periods. Our gross profit was ₹ 428.55 million, ₹ 630.05 million, ₹ 799.32 million and ₹ 409.81 million for Fiscals 2020, 2021 and 2022 and four months period ended on July 31, 2022, respectively while our gross margin was 21.62%, 20.83%, 20.28% and 18.55% for Fiscals 2020, 2021 and 2022 and four months period ended on July 31, 2022, respectively. From Fiscal 2020 to Fiscal 2022, our revenue from operations, EBITDA and profit for the year has grown at a CAGR of 41.02%, 57.68% and 63.30%, respectively. Our Return on Equity for Fiscals 2020, 2021 and 2022 and four months period ended on July 31, 2022, was 30.55%, 37.33%, 34.64% and 18.15%, respectively.

### **OUR KEY STRENGTHS**

We believe that the following are our primary strengths:

#### ***Diversified portfolio of our products and consistent focus on quality and innovation***

We have developed a niche portfolio of agro-chemical products. We have diversified our product portfolio since incorporation and have grown into a multi-product manufacturer of agrochemical products such as insecticides, fungicides, herbicides, plant growth regulator, micro fertilizers and antibiotic. This diversification across products and categories has allowed us to de-risk our business operations.

Additionally, we manufacture and sell general insect and pest control chemicals for Public Health and Animal Health protection. We provide crop protection solutions to the farmer to maximize productivity and profitability. As on the date of this Red Herring Prospectus, we have obtained registrations from the CIB&RC to manufacture 464 agrochemical formulations out of which 269 agrochemical formulations are for sale in India as well as for exports and 195 agrochemical formulations are exclusively for exports. We have also obtained registration from the CIB&RC for 6 agrochemical technicals for manufacturing and sales in India as well as for export. We have 157 trademark registrations including our brand products. Our agrochemical formulations are sold as branded products to farmers through our distribution network. As of September 30, 2022, we had over 118 branded formulations that are sold to farmers.

Our continued engagement with the dealers and wide reach to the farmers has helped us to understand the specific product requirements of end customers thereby enabling us to identify new product opportunities from time to time. This along with our objective of being present across the agri-value chain and meet the growing needs of farmers has enabled us to widen our product portfolio which has also helped us to de-risk our revenues.

#### ***Strong R&D capabilities with focus on innovation and sustainability.***

We have a research and development (“**R&D**”) centre at our manufacturing facility. We also have a quality control

laboratory at our manufacturing facility, which primarily monitors the quality of our raw materials and finished goods. Further, our quality control laboratory has received certificate of accreditation from National Accreditation Board for Testing and Calibration Laboratories (“NABL”) which has assessed and accredited in accordance with the standard ISO/IEC 17025:2017. We have been able to diversify our products range mainly due to our technological capabilities. We rely on our R&D team, which helps us to manufacture products more efficiently and to cater the demand of the overseas customers across agro industry. As at September 30, 2022, we employed 9 researchers including personnel who had obtained masters degree in chemistry and specialize in process research and complex chemistries.

Our analytical capabilities include critical quality control measures, stability studies, method validation and method development. Our R&D efforts also focus on determining the optimal production process for the products that we manufacture and the reduction of energy consumption. Our strong R&D capabilities allow us to discover new mixtures and register new formulations for our agrochemical business. New research areas are guided by the advancement of new technologies based on customer need, technology and regulatory requirements.

***Established distribution network with strong branded products and stable relationship with our institutional customers***

Our ability to deliver sufficient quantities of agro chemical products to farmers with short lead-time is critical, particularly given the seasonal nature of cropping. We have a pan-India sales and dealer presence in 17 states with a dedicated sales force that provides customer service and undertakes product promotion. As of September 30, 2022, our network comprised over 4,362 dealers having access to 16 stock depots supporting the distribution of our branded products in 17 states of India. As of September 30, 2022, we exported our products to approximately 66 customers across 25 countries. As of September 30, 2022, we had a sales team of 195 employees, who are responsible for managing institutional sales and branded sales, the distribution channel and product promotion at the farmer level.

Strong and recognizable brands are a key attribute in our industry, which increase customer confidence and influences a purchase decision. Since incorporation, we have built several strong brands by leveraging the strength of our marketing and distribution network. The key brands, which we own or license include Padgham, Lubrio, Nilaayan, Dahaad, Prudhar and Remora in Insecticides, Gagandip, Sajaag, Lokraj, Rishmat and Kaviraj in Fungicides, Dharozar, Aatmaj, Rodular, Dharolik, Kohha, Kawayat Super and Sadavirum in Herbicides, Rujuta, Greenoka, and Stabilizer as plant growth regulators, Zeekasulf, Aakuko, Thandaj and Zusta as Micro Fertilizers and Retardo as Antibiotic. For Fiscals 2020, 2021 and 2022 and four months period ended on July 31, 2022, sales from our branded business was ₹ 633.57 million, ₹ 904.39 million, ₹ 1,208.96 million and ₹ 587.24 million, respectively, and constituted 31.96%, 29.91%, 30.67% and 26.58% of our total revenue from operations for those periods. We are able to generate demand for our brands through our marketing activities, which are directed towards distribution partners and farmers. They consist of a broad range of advertising and promotional tools, such as meetings with farmers and dealers, promotions at point-of-sale locations, field demonstrations, advertisements in specialized publications, hoardings, direct marketing activities. These activities and initiatives provide us with an excellent platform to market and sell our products.

We also carry out institutional sales of agro chemical products across India and international markets. We participate in various international and domestic agrochemical exhibitions and industry conferences to market our products. We sell bulk products to our institutional customers. Further, as of September 30, 2022, we had more than 154 institutional products that we sold to more than 600 customers. Certain of our key customers include Atul Limited, Heranba Industries Limited, Innovative Agritech Private Limited, Meghmani Industries Limited, Bharat Rasayan Limited, Oasis Limited, United Insecticides Private Limited and Sadik Agrochemicals Co. Ltd. Our institutional business also allows us economies of scale, diversifies our customer base and provides us with a buffer against seasonal fluctuations. For Fiscals 2020, 2021 and 2022 and four months period ended on July 31, 2022, sales from our institutional business (gross of provision for sales returns) was ₹ 1,334.82 million, ₹ 2,098.06 million, ₹ 2,708.73 million and ₹ 1,613.13 million respectively, and constituted 67.34%, 69.38%, 68.71% and 73.01% of our total revenue from operations for those periods.

***Experienced Promoters and management team.***

Our Promoters and our management team have significant experience in the agrochemical industry. Among our Promoters, Rameshbhai Ravajibhai Talavia who is our Chairman and Managing Director, has over 28 years of experience in the agrochemical industry. Jamankumar Hansarajbhai Talavia, our Whole time Director, has over 22 years of experience in the agriculture industry and was awarded the Best Marketing Representative by Parrays,

Certificate of Merit at Coromandel – Godavari Meet 2007 and Diamond Market Representative Award by EID Parry-Coromandel Fertilizers. Jagdishbhai Ravjibhai Savaliya, our Whole time Director, has over 21 years of experience in the agriculture industry. Vishal Domadia who is our Chief Financial Officer has over 12 years of experience in the agriculture industry. Our management team is backed by a core technical team that has vast experience in manufacturing and also has the required technical know-how to manufacture the products. Our experienced Promoters supported by our management team positions us to grow our business, increase our product portfolio, helps us to assess the market, enlarge our distribution footprint and improve our operating margins.

We are led by a dedicated senior management team with several years of industry experience. Our senior management team have played a key role in developing our business and we benefit from their significant experience in the agro chemical industry. Our management team’s industry experience, knowledge and relationships with suppliers and customers have led to our growth. For details in relation to our Promoters and the experience of our Key Managerial Personnel, see “*Our Management*” on page 189.

***Track record of strong operational and financial performance.***

In the short period of 7 years from our incorporation and into commercial manufacturing, we have reached revenue of over ₹ 3,942.08 million in Fiscal 2022. We have built our business organically and have demonstrated consistent growth in terms of revenues and profitability. From Fiscal 2020 to Fiscal 2022, our revenue from operations, EBITDA and profit after tax for the year has grown at a CAGR of 41.02%, 57.68% and 63.30%, respectively. Some of our financial performance indicators are as follows:

*(₹ in million, except percentage and number of days)*

Particulars	For the four months ended July 31, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations	2,209.40	3,942.08	3,024.10	1,982.22
Y-o-y growth	-	30.36	52.56	42.24
Total income	2,211.72	3,962.88	3,035.65	1,991.65
Y-o-y growth	-	30.54	52.42	42.31
EBITDA	268.53	461.90	320.38	185.77
EBITDA margin	12.15	11.72	10.59	9.37
PAT	183.59	286.90	209.60	107.59
PAT margin	8.31	7.28	6.93	5.43
ROCE	15.96	32.87	34.50	28.76
ROE	18.15	34.64	37.33	30.55
Working capital cycle	110 days	39 days	34 days	40 days

Our strong balance sheet and positive operating cash flows coupled with low levels of debt enable us to fund our strategic initiatives, pursue opportunities for growth, better negotiations with vendors and better manage unanticipated cash flow variations. Our financial strength provides us a valuable competitive advantage over our competitors with access to financing, which is critical to our business.

**KEY STRATEGIES**

Our key business strategies include:

***Enhance our manufacturing capabilities through backward integration and expand our product portfolio***

As a part of our expansion plans and in order to achieve backward integration for our operations, we have acquired around 33,489.73 sq. mtrs of land at Saykha Industrial Estate, Bharuch, Gujarat, India on leasehold basis for 99 years from GIDC to set up a manufacturing facility for Agrochemical Technicals and its intermediates which will be used for internal consumption as well as for sales in domestic and international market, which will give us more competitive strength. We have also obtained certain regulatory approvals such as environment clearance for our new manufacturing facility from Ministry of Environment, Forest and Climate Change (Impact Assessment Division), Government of India, consent to establish (after obtaining environment clearance) under Water Act and Air Act from Gujarat Pollution Control Board. We have obtained registration of 6 agrochemical technicals from CIB&RC and applied for registration of 17 agrochemical technicals to CIB&RC for manufacturing and sales in

India as well as for exports. Pursuant to the setup of this manufacturing facility, our profit margins on our products would resultantly increase due to backward integration.

By setting up the Technicals manufacturing facility we will augment our manufacturing capabilities to produce domestic grade agrochemicals, which, along with our export registrations, will allow us to complement our formulations business.

Holding the registrations for products is an important element in being able to offer the agrochemical product and variants of the product to the market. With our experience in registration of agrochemical products, we believe we are rightly placed to register more products. We will make use of our established R&D expertise to augment our registration capabilities to obtain registrations efficiently. Once we obtain the relevant registrations, we intend to manufacture more formulations, Technicals and its intermediates at our new manufacturing facility that is currently under construction in Saykha Industrial Estate, Bharuch, Gujarat, India and at our existing manufacturing facility at Kerala GIDC Estate, Off NH-8, Kerala, Taluka Bavla, Ahmedabad – 382 220, Gujarat, India. We have also focused on increasing the number of product registrations in overseas market, including in Bangladesh, Zambia, Iran, Somalia, Dubai, Vietnam, Iraq, Singapore, Pakistan, Tanzania, Uganda, Indonesia, Columbia, Bahrain, Dominican Republic and other parts of the world, as sales in these markets generally have high margins.

***Targeting new customers, expanding existing customer business and increase our market share in domestic and international markets***

The overall Indian pesticides and other agrochemicals market grew at a CAGR of 4.5% from ₹368 billion in 2013-14 to ₹439 billion in 2017-18. The overall Indian pesticides and other agrochemicals industry is estimated to increase at a CAGR of 7.5%-8.5% by 2026-27 on account of an upward growth expected in the international market and a likely increase in domestic usage of pesticides in India. (Source: Company Commissioned CareEdge Report)

We have increased our market share in India for agrochemical products in recent years through increasing our product portfolio organically and we intend to continue to evaluate opportunities to capitalize on industry consolidation and acquire other products and brands to grow our portfolio. We identify new generic products that have significant volume in the market and evaluate whether we ought to register such products under Section 9(4) of the Insecticides Act. Any pesticide that goes off-patent provides an opportunity to the Indian industry to develop generic molecules. Such an event thus opens up opportunity for Indian manufacturers to increase their exports. As per industry sources, an opportunity amounting around USD 5 billion is estimated to go off-patent by FY27. This is likely to support pesticide exports from India going forward (Source: Company Commissioned CareEdge Report). We are a R&D driven company and believe that technological advancement is one of the key factors to our continued success in the market place. We plan to actively pursue and enhance our R&D capabilities to develop new production techniques and products in addition to improving production efficiency. We intend to continue utilizing our R&D capabilities and manufacturing expertise and focus our investment in product enhancement.

With a view to further diversify our customer base and increase our market share, we intend to augment our sales in the markets where we sell our products as well as expand into new markets. Towards this objective, we seek to continue to leverage our relationships with our existing customers through cross-selling of our products.

Sales in the international markets require registrations of our products with the respective regulatory authorities in various overseas jurisdictions. As on the date of this Red Herring Prospectus, we had 464 agrochemical formulations registered with CIB&RC of which 269 agrochemical formulations are for sale in India as well as for exports and 195 agrochemical formulations are exclusively for exports. We intend to continue to commit resources to increase the number of registrations to offer a wider range of products in new markets. We intend to leverage our existing relationships in the international markets where we are already present for new products and develop new relationships in the new markets on the strength of the quality and diversified range of our products.

***Expanding our Public Health and Animal Health product segment***

The global pyrethroids market increased at a CAGR of 4% from USD 2,678 million in 2016 to USD 3,309 million in 2021. This increase in the market is backed by agricultural requirements as the use of pyrethroids help improves crop yield. They are also safer compared to organophosphate pesticides. In addition to this, the global pyrethroids market is also supported by public health and animal health needs. These factors are expected to aid the global

pyrethroids market and the industry is expected to increase by CAGR of around 5% to touch the size of approximately USD 4,300 million by 2026. The other end users in pyrethroids markets include public health and animal health with an approximate share of 20% and 5%, respectively. (Source: *Company Commissioned CareEdge Report*)

As part of our further growth strategy, we intend to increase manufacturing and sales in the public health and animal health products segment. On the public health and animal health side, our products include general insect control, termiticide, larvicide, indoor residual spray, rodenticide and cockroach gels which are formulations of synthetic pyrethroids which are currently procured from third parties. We intend to supply our public health and animal health products on retail basis for purposes like controlling the spread of malaria, filaria, dengue, chikungunya and such other parasitic diseases. These products are also supplied to pest control companies which spray them at residential and commercial premises. We supply these products under our own brands like Dhoofon, Dharmexo Gel and Podcast 25WP, amongst others and we intend to further increase our market share by increasing our product portfolio in public health segment. Further, the Technicals that will be produced in the proposed new manufacturing facility of our Company will also be used in public health and animal health segment.

### ***Strengthening up our business through effective branding, promotional and digital activities***

One of our strengths is our ability to develop brands. Product launches require significant investment and planning as they entail farmer education, dealers' training, field demonstrations, product promotion through advertisements in local newspapers, magazines, television, social media, print media and other publications, generating contemporary educational content and engaging in brand associations. As our business requires us to reach out to individual farmers as well as distribution partners, the effort and the exercise around product development is logistically challenging and requires significant time and effort to make sure we are reaching our target audience.

We also intend to strengthen our existing brand building activities including dealer training programs, field demonstrations, field shows, farmers training programs, jeep campaigns and participation in various national and international exhibitions for marketing our products. We believe that growth in our products segment will lead to growth of our revenues and profitability. For four months period ended July 31, 2022 and Fiscals 2022, 2021 and 2020, our advertising expenses were ₹ 3.18 million, ₹ 10.42 million, ₹ 5.49 million and ₹ 4.66 million, respectively.

With a vision to create our brand awareness and promote sales of our branded products through digital platform, we have made a strategic investment in an agritech company "Khetipoint Private Limited" which has developed an online digital marketplace platform "Khetipoint" which aims to connect Farmers from across India to their retailers and company experts. On this platform, farmers can share their farming related practical problems / issues with the experts and get the solution. Farmers can also compare the products and prices on this platform and then buy the best suitable product as per their need online.

## **OUR BUSINESS OPERATIONS**

### **Our product portfolio**

We classify our agrochemicals business into our brands business, our domestic institutional business and our exports institutional business. Our agrochemical formulations are sold as branded products to farmers through our distribution network. Formulations are active ingredients that are mixed with other materials to produce pesticides in a form that can be used by farmers. We sell bulk products and pack-to-pack products to our institutional customers. Bulk products are formulated products that are sold in bulk quantities that are repacked and marketed by other formulators. We also export our agrochemical products internationally.

Brief details of the main products manufactured and sold by our Company under various categories are as follows:

### **Insecticides**


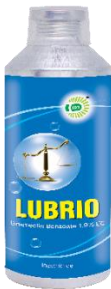


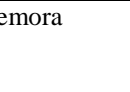
Insecticides enable protection of the crops from insects by either preventing their attack or destroying them. They help in controlling the pest population below a desired threshold level. They can be further classified based on their mode of action:

- Contact insecticides: Insects gets killed on direct contact of these insecticides and they leave marginal residual activity which affects environment minimally.


- Systemic insecticides: Plant tissues absorb these insecticides and destroy insects when the insects feed on plants. These are generally related with long term residual activity.

(Source: Company Commissioned CareEdge Report)

We have a broad range of insecticides that control chewing pests such as caterpillars and sucking pests such as aphids, which reduce crop yields and quality. These products are applied either to the soil or sprayed onto the foliage. Certain of our insecticides are as below:

Sr. No.	Name and image of the products	Product description
1.	Padgham 	Padgham is a combination insecticide which is able to control jassids, thrips and bollworm in cotton. It acts as a quick stomach and contact insecticide and has advance ZC formulation.
2.	Lubrio 	Lubrio is recommended for control of bollworms in cotton. The affected larve becomes paralysed and stop feeding shortly after exposure to emamectin benzoate EC and the larve subsequently dies after 2 – 4 days.
3.	Nilaayan 	Nilaayan is an improved, seed treatment formulation containing systematic insecticide, thiametoxam. It provides protection to the crop against highly damaging sucking pests from day 1 up to 30 – 40 days, thus eliminating the need of repeated sprays and is also very effective against white grub.
4.	Prudhar 	Prudhar has synergistic power with powerful stomach and contact action. It has a quick knock down and control on hard to kill boll – worm. It is economic to use with much higher and quality produce. It controls sucking pests as well as bollworm. It has a strong translaminar and ovicidal action and control of trips, ballworms, aspid, jassid, mealybug etc. in agriculture crop like cotton, chillies, turmeric etc.
5.	Remora 	Remora is a modern insecticide and is a multipurpose soluble granular insecticide which gives effective control of caterpillars by its contact and stomach poison action. The caterpillars stop causing damage to crops after two hours of the application of Remora. It

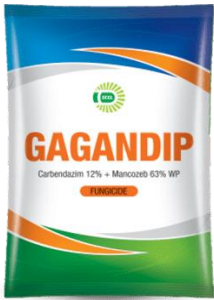

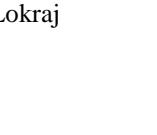





Sr. No.	Name and image of the products	Product description
		is a suitable insecticide for Integrated Pest Management (IPM) system.

## Fungicides

Fungicides find their application in fruits, vegetables and rice and they are vital to contract postharvest losses in vegetables and fruits. Fungicides are used to prevent fungi attack on crops and to handle diseases on crops. Protectants and eradicants are two types of fungicides. Protectants protects or hinders fungal growth and eradicants destroys the diseases on usage. This thus results in better productivity, contraction in crop blemishes and raises storage life. (Source: Company Commissioned CareEdge Report)

We have a broad range of fungicides that are used to prevent and cure fungal plant diseases that affect crop yield and quality. Certain of our fungicides are as below:

Sr. No.	Name and image of the products	Product description
1.	Gagandip 	Gagandip is a scientific combination of mancozeb which is a contact fungicide of dithiocarbamate group and carbendazim, a systematic fungicide of benzimidazole carbamate group which effectively controls the fungal diseases like rice blast by its systematic and contact action. It helps in increasing the production of field crops and vegetables and is a suitable fungicide for Integrated Pest Management (IPM). It is compatible with commonly used insecticides and fungicides.
2.	Sajaag 	Sajaag is a combination of systematic and contact fungicide and has a WDG formulation. It is an effective fungicide with protecting, curative and eradication action. It controls powdery mildew, fruit rot diseases of chilli and also controls leaf spot, pod blight diseases of soyabean.
3.	Lokraj 	Lokraj is an effective systemic fungicide with protective, curative and eradication action. It controls wide range of disease. Due to the translaminar action, it is quickly absorbed and translocated within the leaf and plant system resulting in quick and effective

Sr. No.	Name and image of the products	Product description
		<p>disease control. It gives phytotonic effect and improves the plant visible characteristics, yield and quality of the produce.</p>
4.	<p>Rishmat</p> 	<p>Rishmat is a suspensible concentrate fungicide for control of fruit rot, die back and powdery mildew in chilli, purple blotch on onion and sheath blight on rice crop. It is recommended to control early blight in tomato and potato, late blight in potato. It has a preventive and curative properties which provide flexibility and broad window of application. It has a dual mode of action, hence it works at multiple stages of fungal development. It impacts positively on the physiological activity of the applied crop by improving the yield and quality of the produce thus fetching better price.</p>
5.	<p>Kaviraj</p> 	<p>Kaviraj is systematic fungicide. Mancozeb acts by its contact action which inactivates the sulphahydral (SH) groups in enzymes of fungi and metalaxyl inhibits protein synthesis, growth and reproduction in fungi and is used to control downy mildew and rust in all crops, black, shank and pythium damping off in tobacco, late blight of potato. It cannot be used with copper and strong alkaline reagent.</p>

## Herbicides

Herbicides also known as weedicides are used to destroy unwanted plants. Unavailability of cheap labour leads to major usage of herbicides in rice and wheat crops. The demand for herbicides is seasonal as they develop in damp, warm climate and perishes in cold spells. They are of two types depending on the way of action, selective and non-selective. Selective herbicides destroy specific plants not harming the desired crop and non-selective herbicides are used for widespread ground clearance to handle weeds pre-crop planting.

Based on the usage, there are three types of herbicides. 1. Application prior to sowing of the crop (pre-emergence) 2. Application post developing of weeds (post-emergence) 3. Application right away subsequent to sowing (early post-emergence). (Source: Company Commissioned CareEdge Report)


We have a broad range of herbicides that eliminate, prevent the growth of or reduce weeds that compete with crops for nutrients, light and water. Certain of our fungicides are as below:

Sr. No.	Name and image of the products	Product description
1.	Dharozar	<p>Dharozar is an aminophosphonic analogue of the natural amino acid glycine in soluble granules formulation. Due to its non – selective action, it kills</p>

Sr. No.	Name and image of the products	Product description
	 <p>Dharozar Ammonium Salt of Glyphosate 71% SG HERBICIDE</p>	<p>all types of weed. It stops a specific enzyme, EPSP synthase, which is required for plant growth and this enzyme is found only in plants and many bacteria. It does not affect the germination of ensuing crops and any crop can be grown after its application.</p>
2.	 <p>AATMAJ Clodinafop - Propargyl 15% WP HERBICIDE NET WEIGHT 800g</p>	<p>Aatmaj is a selective, post emergence systematic herbicide. Its active ingredients are absorbed through in the leaves and shoots actively growing plants. They are rapidly translocated in the plants and accumulate in the meristematic tissues. Within 48 hours after its application, susceptible grass species cease to grow. Weed completely dries up in 3 weeks.</p>
3.	 <p>RODULAR Paraquat Dichloride 20% SL HERBICIDE</p>	<p>Rodular is non-selective contact herbicide, it only controls the foliage part of weeds, thus promoting intact roots and preventing soil erosion. Paraquat acts in the presence of light to desiccate the green parts of all plants with which it comes into contact. The leaves become dry, yellow or brown within hours of its application. Light, oxygen and chlorophyll are therefore all required for the rapid and characteristic herbicidal effects of Rodular Herbicide.</p>
4.	 <p>MOHAK Metsulfuron Methyl 20% WP HERBICIDE NET WEIGHT 50 g</p>	<p>Metsulfuron – methyl is a residual sulfonylurea compound used as a selective pre – emergency and post emergency herbicide for broad leaf weeds and some annual grasses especially in wheat crop. It is a systematic compound with foliar and soil activity, and it works rapidly after it’s taken up by the plant and its mode of action is by inhibiting cell division in the shoots and roots of the plant.</p>
5.	 <p>Sadavirum Quizalofop Ethyl 10% EC Herbicide</p>	<p>Sadavirum is a selective systematic post-emergence Grassy herbicide which has a high selectivity between grass weeds and dicotyledons crops i.e. safe for board leaves. It is absorbed in few hours by stem and leave and conducted to the whole body of annual weeds in one day, mainly accumulating in the top organs and intraformational meristem. Weeds internode and growth point destroyed and lose reproductivity. Weed leaves turn purplish/ red within 5 -8 days and within 2 weeks are completely killed.</p>

### Plant growth regulator

Plant growth regulators are substances that are applied to crops with the aim to enhance nutrition efficiency, abiotic stress tolerance and crop quality traits. Certain of our plant growth regulators are as below:

Sr. No.	Name and image of the products	Product description
1.	<p>Rujuta</p> 	<p>Rujuta consists of amino acid, vitamins and proteins which helps increasing flowering and stop dropping of flower. It increases the quality of fruit like size, weight and colour. It gives more strength against abiotic stress like high temperature, more water and deficiency of water.</p>
2.	<p>Greenoka</p> 	<p>Greenoka is an effective plant growth regulator which increases the yield and quality of the crop produce. It acts synergistically with plant metabolism and accelerates the growth functions of the plant. It improves the physiological efficiency of crop by stimulating the hormonal and enzymatic activities.</p>
3.	<p>Surisva</p> 	<p>Surisva increases efficacy and efficiency of the molecule used with it and works well as adjuvant, as adhesion for spray material and covers large surface area. It can be used with herbicides, weedicides, insecticides, fungicides, miticides, as a spreading, depositing and sticking agent.</p>
4.	<p>Stabilizer</p> 	<p>Stabilizer develops root zone of plants. It improves plant health in stress conditions and increase soil health condition, flowers, fruits and in turn yield of crop.</p>

### Micro Fertilizers

Certain of our micro fertilisers are as below:


Sr. No.	Name and image of the products	Product description
1.	<p>Zeekasulf</p>	<p>Zeekasulf is bi-nutrient fertilizer with a unique combination of Sulphur and Zinc, it is available in granular form and can be mixed with any other fertilizer for ease application. Zeekasulf improves sulphur levels in the soil and replenishes Sulphur loss</p>

Sr. No.	Name and image of the products	Product description
		<p>associated with soluble print nutrients, this fertilizer is ideal for all crops and is highly essential for crops with high Zinc requirements.</p>
2.	<p>Aakuko</p> 	<p>Aakuko is one of the most important micro nutrients 'Boron' for different crop stages. It contains 20% pure form of Boron. It efficiently improves vegetative and reproductive growth of plants, resulting in cell expansion, improves functionality of meristem thus improves fertility. It is essential for the growth of higher plants and provides structural integrity to the cell wall in plants. It avoids fruit spots on Brinjal and other vegetables and also improves quality of fruits and reduces cracks in fruits.</p>
3.	<p>Thandaj</p> 	<p>Thandaj keeps the plant green and avoid the plant to become pale yellow due to zinc deficiency. It helps in heavy flowering and reduces dropping of flowers. It increases plant growth and quality of produce from crops. It is easily translocated within plants as it is partly systematic. It increases phosphorous uptake and the phosphorous content of the shoots in plants. It is versatile since it can be used for all crops, at any stage and all kinds of soil. Also with any fungicide or pesticide.</p>
4.	<p>Zusta</p> 	<p>Zinc is an essential trace element of zusta and plays a key role. Zusta contains 7 to 8 times more zinc than a typical liquid chelated. Zusta improves ZN nutritional status of crop plants for human consumption and is essential for cell growth and division (Plant Growth), immune function, enzyme reactions, DNA synthesis and protein production, boosts plant immune system, accelerates healing of damage done by Pest or disease. It is suitable for almost any tank mix and gives greater flexibility in field recommendations. It enhances DNA replication and construction.</p>

### Anti-biotic

Details of our anti-biotic product is as below:

Sr. No.	Name and image of the products	Product description
1.	Retardo	<p>Retardo is an antibiotic formulation, used to treat infections caused by bacteria and other organisms like parasites and fungi. It causes abnormal branching of the tips of pathogen, followed by cessation of further</p>

Sr. No.	Name and image of the products	Product description
		development. It is curative in action, it helps to control diseases very fast. It is cost effective and helps to fight against diseases like blight. It boosts immune system of plants by removing bacterial problems.

### Institutional products

Our institutional business is one of our key business areas. As of September 30, 2022, we have more than 600 institutional customers, which includes multi-national corporations, large Indian companies and medium to small Indian companies.

As of September 30, 2022, we had more than 269 products which we offer to our institutional clients.

Listed below are our key formulations, based on revenue from the products in individual category, for our institutional business:

Category	Name of the Products	Category	Name of the Products
<b>Insecticide</b>	Acephate 75% SP	<b>Herbicides</b>	2,4-D Amine Salt 58% SL
	Acetamiprid 20% SP		Ammonium Salt of Glyphosate 71% SG
	Alpha Cypermethrin 10% EC		Atrazine 50% WP
	Alpha Cypermethrin 5% EC		Bispyribac Sodium 10% SC
	Alphacypermethrin 1.5% + Dimethoate 40% EC		Chlorimuron Ethyl 25% WP
	Bifenthrin 10% EC		Clodinafop Propargyl 15% WP
	Buprofezin 15% + Acephate 35% WP		Fenoxaprop P Ethyl 9.3% EC
	Buprofezin 25% SC		Glyphosate 41% SL
	Cartap 50% + Acetamiprid 3% SP		Imazethapyr 10% SL
	Cartap Hydrochloride 50% SP		Metribuzin 70% WG
	Chlorpyrifos 35% + Cypermethrin 10% EC		Metribuzin 70% WP
	Chlorpyrifos 20% EC		Metribuzin 75% WG
	Chlorpyrifos 27.8% + Dimethoate 22.2% EC		Metsulfuron Methyl 10% + Chlorimuron Ethyl 10% WP
	Chlorpyrifos 48% EC		Metsulfuron Methyl 20% WP
	Chlorpyrifos 50% + Cypermethrin 5% EC		Oxyfluorfen 23.5% EC
	Chlorpyrifos 50% EC		Paraquat Dichloride 24% SL
	Cypermethrin 10% EC		Pendimethalin 30% EC
	Cypermethrin 20% EC		Pendimethalin 38.7% CS
	Cypermethrin 25% EC		Pendimethalin 33% EC
	Deltamethrin 11% EC		Pretilachlor 50% EC
Deltamethrin 2.5% EC	<b>Fungicides</b>	Azoxystrobin 11% Tebuconazole 18.3% SC	
Deltamethrin 2.8% EC		Captan 50% WP	
Diafenthiuron 50% WP		Captan 70% + Hexaconazole 5% WP	
Dimethoate 30% EC		Carbendazim 12% + Mancozeb 63% WP	
Dimethoate 40% EC		Carbendazim 12.5% + Propiconazole 12.5% SC	
Dimethoate 48% EC	Carbendazim 50% SC		
Emamectin Benzoate 1.9% EC			



Category	Name of the Products	Category	Name of the Products
	Emamectin Benzoate 5% SG		Carbendazim 50% WP
	Ethion 40% + Cypermethrin 5% EC		Carbendazim 80% WDG
	Fenvalerate 20% EC		Chlorothalonil 75% WP
	Fipronil 40% + Imidacloprid 40% WG		Copper Oxychloride 50% WP
	Fipronil 5% SC		Cymoxanil 6% + Propineb 70% WP
	Fipronil 80% WG		Cymoxanil 8% + Mancozeb 64% WP
	Imidacloprid 17.8% SL		Difenoconazole 25% EC
	Imidacloprid 30.5% SC		Hexaconazole 5% EC
	Imidacloprid 35% SC		Hexaconazole 5% SC
	Imidacloprid 60% FS		Isoprothiolane 40% EC
	Imidacloprid 70% WG		Mancozeb 75% WP
	Imidaclopride 20% SL		Metalaxyl 35% WS
	Indoxacarb 14.5% + Acetamiprid 7.7% SC		Metalaxyl 8% + Mancozeb 64% WP
	Indoxacarb 14.5% SC		Propiconazole 13.9% + Difenoconazole 13.9% EC
	Lambda Cyhalothrin 10% EC		Propiconazole 25% EC
	Lambda Cyhalothrin 2.5% EC		Propineb 70% WP
	Lambda Cyhalothrin 25% CS		Sulphur 55.16% SC
	Lambda Cyhalothrin 4.9% CS		Sulphur 80% WDG
	Lambda Cyhalothrin 5% EC		Tebuconazole 10% + Sulphur 65% WG
	Malathion 50% EC		Tebuconazole 25.9% EC
	Malathion 57% EC		Thiophanate Methyl 70% WP
	Monocrotophos 36% SL		Tricyclazole 75% WP
	Novaluron 5.25% + Indoxacarb 4.5% SC		Validamycin 3% L
	Phenthoate 50% EC	<b>Plant growth regulators</b>	Amino Acid + Vitamins
	Profenofos 36% + Lambda Cyhalothrin 1.5% EC		Chlormequat Chloride 50% SL
	Profenofos 40% + Cypermethrin 4% EC		Cytokinins Enzymes
	Profenofos 50% EC		Ethephon 39% SL
	Quinalphos 25% EC		Gibberellic Acid 0.001% L
	Thiamethoxam 12.6% + Lambda Cyhalothrin 9.5% ZC		Potassium Fulvic Humate
	Thiamethoxam 14.10% + Lambda Cyhalothrin 10.6% SC		Silicon Adjuvent
	Thiamethoxam 25% WG		
	Thiamethoxam 30% FS		
	Thiamethoxam 75% SG		

## Exports

We export our agrochemical formulations to institutional customers internationally. As of September 30, 2022, we exported our products to approximately 66 customers across more than 25 countries, including Latin America, East African Countries, Middle East and Far East Asia. As on the date of this Red Herring Prospectus, we had 464 agrochemical formulations registered with CIB&RC of which 269 are for sale in India as well as for exports and 195 agrochemical formulations are exclusively for exports and we intend to continue to commit resources to increase the number of registrations to offer a wider range of products in new markets.

## Manufacturing Facility

We have set up an integrated manufacturing facility at Plot No. 408 to 411, Kerala GIDC Estate, Off NH-8, At: Kerala, Taluka Bavla, Ahmedabad – 382 220, Gujarat, India, which give us the flexibility to produce new products in a short span of time and scale-up to meet the demands of our clients. Our manufacturing facility is fully integrated formulation facility with processes starting from procurement of raw materials, stringent quality checks, mixing, blending, pre-delivery inspection and final dispatch. Our integrated manufacturing processes provide us

competitive advantages in terms of maintaining quality and effectiveness of the products we manufacture. Our manufacturing facility is certified with ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 for development and manufacturing of agrochemical formulations such as insecticides, herbicides, fungicides, micro fertilizers and plant growth regulators.

Below mentioned are the images of our manufacturing facility situated to at Plot No. 408 to 411, Kerala GIDC Estate, Off NH-8, At: Kerala, Taluka Bavla, Ahmedabad – 382 220, Gujarat, India:



In addition, we are currently in the process of setting up a manufacturing facility at Saykha Industrial Estate, Bharuch, Gujarat, India for manufacturing Technicals and its intermediates which will be used for internal consumption as well as for sales in domestic and international market. We have also obtained certain regulatory approvals such as environment clearance for our new manufacturing facility.



## Production capacity and utilization

The following table sets forth the aggregate production capacity of our Company's manufacturing facility and the actual production volumes for the periods indicated:

Product	Annual Installed Capacity (in MT)				Actual Production (in MT)				Capacity utilisation (%)*			
	2019-20	2020-21	2021-22	2022-23	2019-20	2020-21	2021-22	April 1, 2022 to August 31, 2022	2019-20	2020-21	2021-22	April 1, 2022 to August 31, 2022
Agro chemicals formulations	9,150	11,400	25,500	25,500	6,004.20	75,77.21	8,891.90	4,032.48	65.62	66.47	34.87	37.95

\*Capacity utilisation is calculated based on installed capacity for the specified period

Source: Certificate from Devang Shah, Chartered Engineer dated September 23, 2022 with membership number M 1691532

### **Solar Power Plant**

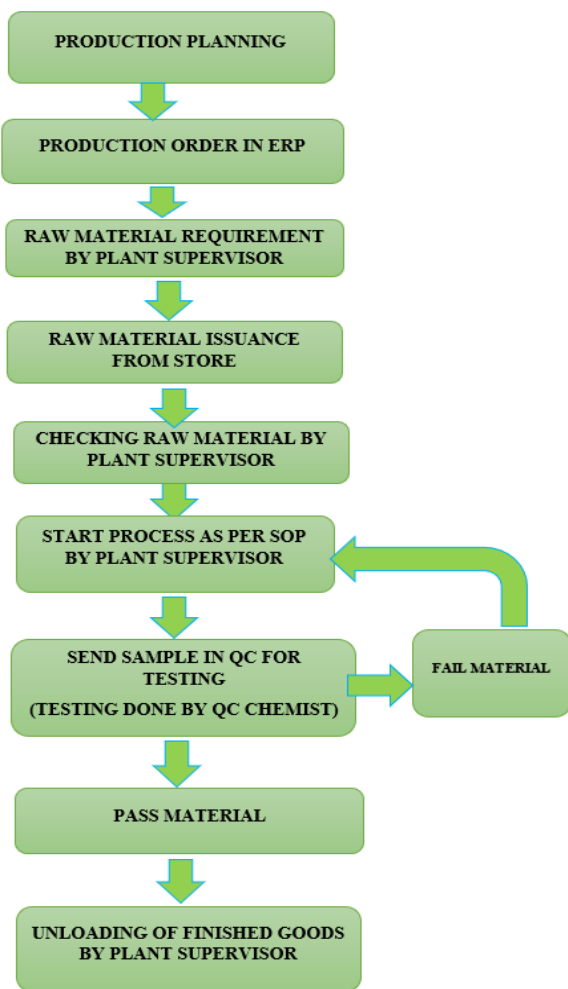
We have installed solar panels having capacity of 85,320 KW per annum (Source: Certificate from Devang Shah, Chartered Engineer dated September 23, 2022 with membership number M 1691532) at our manufacturing facility, which allows us to generate electricity that is required for the manufacturing our products and minimize our electricity costs.

### **Wastewater treatment**

We also have installed wastewater/ sewage treatment plant at our manufacturing facility which is used to remove pollutants from the wastewater. The aggregate capacity of our wastewater treatment plant is 7,800 KL per annum. (Source: Certificate from Devang Shah, Chartered Engineer dated September 23, 2022 with membership number M 1691532)

### **Manufacturing process**

Our manufacturing facility is equipped for both individual and diversified processes, and their fungibility enables us to employ them in the most optimum manner to suit the production plan. Additionally, most of our machinery with certain modification is capable of being used interchangeably for either of our segments, depending on the demand for such products. Set forth below is a flowchart of the typical manufacturing process employed by us for manufacturing of our products at our manufacturing facility:



## **Raw Materials**

The key raw materials used in the manufacturing of our major products include mancozeb technical, chloropyrifos technical, lambda cyhalothrin tech, thiamethoxam tech. cypermethrin technical. Our total costs of materials consumed were ₹ 1,566.53 million, ₹ 2,405.00 million, ₹ 3,206.69 million and ₹ 1,954.25 million in Fiscal 2020, 2021, 2022 and four months period ended July 31, 2022, respectively.

We usually do not enter into long-term supply contracts with any of our raw material suppliers and typically source raw materials from third-party suppliers or open market. The terms and conditions for product quality and return policy are set forth in the purchase orders. Pricing and production volumes are negotiated for each purchase order. There are no contractual commitments other than those set forth in the purchase orders. The purchase price of our raw materials generally follows market prices. We typically purchase raw materials based on the historical levels of sales, actual sales orders on hand and the anticipated sales forecasting taking into consideration any expected fluctuation in raw material prices and delivery delay. See, *“Risk Factors –An inability to procure the desired quality, quantity of our raw materials in a timely manner and at reasonable costs, or at all, may have a material adverse effect on our business, results of operations and financial condition.”* on page 51.

### ***Inventory management***

Our finished products are stored on-site at our manufacturing facility and at our depot. We generally store sufficient stock of finished goods at our production facilities and depot. We produce a quantity of finished products that is determined based on a combination of confirmed and expected orders. Our expected orders have historically been confirmed due to the stable long-standing relationships that we have with our direct customers and dealers.

Our production and inventory levels of our finished products are planned on a periodic basis based on the projected sales volumes and we make periodic adjustments to the production schedule and volumes based on actual orders received. We closely supervise our daily production and aim to maintain suitable inventory levels of raw materials and finished goods at each of our manufacturing facilities. Further, for raw materials, we maintain different inventory levels depending on lead time required to obtain additional supplies.

### ***Packaging material:***

Our products are usually packed depending on the product that needs to be packed, volume of the pack required by customer, the destination of delivery and the mode of transport viz. road, rail, air or water. Packaging of our products is an important function in our business cycle as most of our products fall under the purview of “hazardous chemicals” and need to be packed appropriately to avoid any pilferage and damage to the products. Products that are sold in the domestic markets through our dealers to the farmers are generally packed in aluminum bottles, pouches, boxes, HDPE bottles and pet bottles whereas in case of products that are supplied in bulk, are appropriately packed in bags and drums. These packages generally include a leaflet or is set out on the package itself the method of using the product and other product details in both local and national languages as per the CIB&RC guidelines. Availability of all sizes of packs from small to large helps us to expand our reach to all categories of farmers i.e. small to big which gives us competitive edge in the market.

## **Research and Development**

We have a research and development (“**R&D**”) centre at our manufacturing facility. This centre has equipments such as jet mill, basket extruder, bead mill, gas chromatograph, hot air oven, moisture balance, oil and sealed vacuum pump, amongst others. We also have a quality control laboratory at our manufacturing facility, which primarily monitors the quality of our raw materials and finished goods. Our R&D department has been working consistently for improving and upgrading the existing range of products and continuously working towards product efficacy. Further, our quality control laboratory has received certificate of accreditation from National Accreditation Board for Testing and Calibration Laboratories (“**NABL**”) which has assessed and accredited in accordance with the standard ISO/IEC 17025:2017. We rely on our R&D team, which helps us to manufacture products more efficiently and to cater the demand of the overseas customers across agro industry. As at September 30, 2022, we had 9 employees including personnel who had obtained master’s degree in chemistry and specialize in process research and complex chemistries.

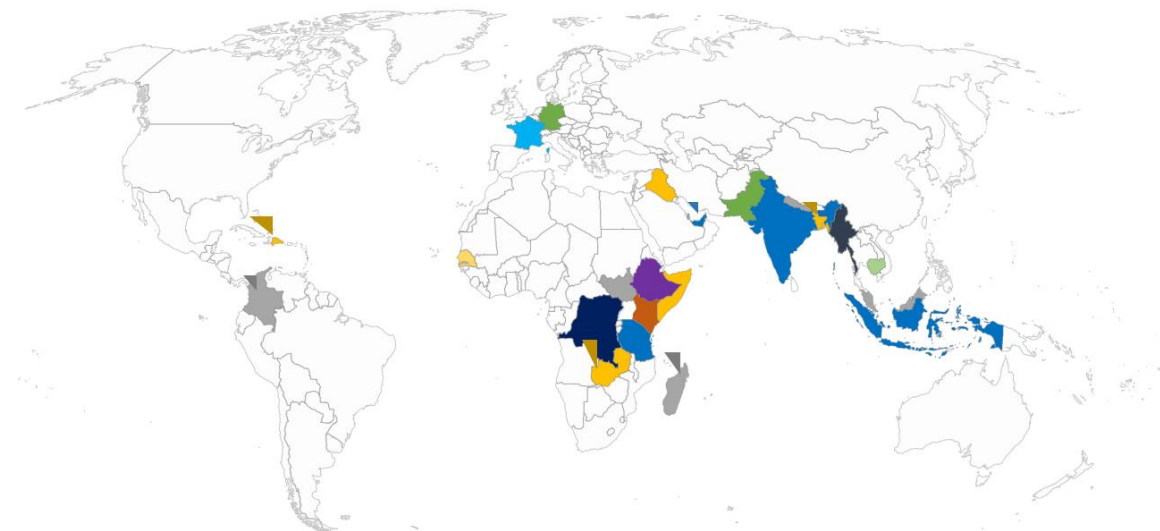
We believe that our R&D has and will continue to assist us in developing newer technologies and manufacturing processes for existing as well as new products, which will help us to reduce the cost of production, improving product efficacy simplify manufacturing processes to improve safety, reduce environmental load and provide us with other growth opportunities.

### **Our Customers**

We believe that our product portfolio helps us in offering a wide range of products to our customers, enhances our ability to attract new customers and help de-risk the business through limited dependence on any single product category. We are not reliant on a single ‘anchor’ customer i.e. none of the customers contribute to a substantial portion of our turnover. This protects us from the risk on revenue owing to loss of any customer account on occurrence of any adverse event. This diverse set of customers also establishes our credentials in the industry, and we leverage this to obtain more customers and increase our sales volume. Some of the institutional customers for our products are Atul Limited, Heranba Industries Limited, Innovative Agritech Private Limited, Meghmani Industries Limited, Bharat Rasayan Limited, Oasis Limited, United Insecticides Private Limited and Sadik Agrochemicals Co. Ltd. We believe that the growth in our customer base shows a wide acceptance of our products. Wide customer base helps us to identify the products demand in the market and eventually helps us to promote new products developed by us to the same customer base.

### **Geographical Spread**

To cater to the spread of our branded products, as of September 30, 2022, we have more than 4,362 dealers supported by our 16 stock depots in the India such as Gujarat, Madhya Pradesh, Chattisgarh, West Bengal, Rajasthan and Assam, in order to meet the demand of our branded products from farmers. In addition to the strong retail distribution network, we also have 195 members in our sales team that reaches out to institutional buyers to recommend our trusted products. Our widespread domestic and global presence not only mitigates the risk of dependence on certain regions, but also helps us to leverage our brand value. The below mentioned map shows the presence of our products in the global market:



*Note: The above map is not to scale and not intended to mean political map of India.*

### **Sales, Distribution and Marketing**

Our customer portfolio comprises two major segments which are institutional customers and retail customers. We presently sell our products to the customers, directly as well as indirectly. The indirect sales come through our dealer network whose sales effort is supported by our stock depots and the direct sales comes through institutional sales and exports wherein our sales team reaches out to institutional buyers to recommend our trusted products. During four months period ended July 31, 2022 and Fiscals 2022, 2021 and 2020, our total revenue from top 5 customers was ₹ 338.15 million, ₹ 483.68 million, ₹ 324.21 million and ₹ 247.46 million and accounted for 15.31%, 12.27%, 10.72% and 12.48%, respectively of our revenues from operations for the same period.

### ***Farmer training programs***

We recognize the importance of educating farmers with the latest information on crop management. We focus on issues such as correct and judicious use of agrochemical products. We arrange village meetings in various farming villages across India to educate farmers about the pest and disease problems affecting their crops. We also provide on the spot recommendations and solutions to address any immediate concerns. We also engage in post and pre-season discussions with farmers to understand their challenges during the cropping season as well as their cropping plans and techniques.

### ***Retail sales:***

We currently sell our branded products in 17 states through our distribution network comprising of more than 4,362 dealers supported by our 16 stock depots as on September 30, 2022. We have entered into agreements with our dealers.

Our direct and frequent contact with our dealer network helps us to stay up to date with changing preferences in the segment which also helps us to proactively provide product enhancements and react faster to changes in the end user segment. Our Company manages our channel partners and dealers through a sales and marketing team of 195 employees, as at September 30, 2022, who aid the distribution process and are primarily engaged in dealers' relationship management, appointment of new dealers, procuring orders, product promotions and collections.

### ***Institutional Sales***

Our institutional customers include Atul Limited, Heranba Industries Limited, Innovative Agritech Private Limited, Meghmani Industries Limited, Bharat Rasayan Limited, Oasis Limited, United Insecticides Private Limited and Sadik Agrochemicals Co. Ltd. Our sales team focuses on managing relations with our large institutional clients and ensuring that our Company is empanelled with large institutional buyers and that our product portfolio and pricing remains competitive. We also derive a portion of revenues from exports to various countries in Latin America, East African Countries, Middle East and Far East Asia. Our revenues from institutional sales for four months period ended July 31, 2022 and Fiscals 2022, 2021 and 2020 was ₹ 1,613.13 million, ₹ 2,708.73 million, ₹ 2,098.06 million and ₹ 1,334.82 million, respectively and accounted for 73.01%, 68.71%, 69.38% and 67.34%, respectively, of our revenue from operations in such periods.

Our Company has continuously sought to increase the market share of our products, build brand awareness and recall value for our products and expand our geographical network. Towards these goals, our Company has adopted various marketing strategies, which include marketing through newspapers, magazines, television, social media, print media, banners, hoardings, inshop promotions and demonstrations and frequent interactions with customers.

### **Quality Standards and Assurance**

The ability to deliver consistently high-quality agro chemical products to customers is critical to our business. Quality control is ensured by strict adherence to work protocols, from the procurement of raw materials through the stages of production. Our manufacturing facility is certified with ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 for development and manufacturing of agrochemical formulations such as insecticides, herbicides, fungicides, micro fertilizers and plant growth regulators. Our quality assurance department, comprising of 9 people as on September 30, 2022, which helps us to monitor the quality of raw materials used by us and the end products produced by us. Robust process and product audit and quality rating are conducted, and quality check parameters are laid down to ensure adherence to defined process and product specifications. Our quality assurance department uses chemical and physical

testing facilities, like UV spectrophotometer, high-performance liquid chromatographer, gas liquid chromatographer valiant moisture meter and test like pH, assay, suspension, density, viscosity, wettability, acidity, alkalinity, heat stability test, emulsion stability test and flash point test to ensure that our end products adhere to our quality policies.

### **Pricing**

We determine the prices for our products, based on various parameters, including market demand, our production capacity, transportation costs, raw materials costs, inventory levels, competitors' prices and credit terms. Prices for different regions may be different based on transportation cost, demand quantity and other overheads of the region. We review our prices regularly, based on prevailing wholesale prices in the market.

### **Safety, Health and Environment**

We continually aim to comply with the applicable health and safety regulations and other requirements in our business operations. We are committed to ensure a safe and healthy workplace for our employees and minimise our potential impact on the environment. We implement work safety measures to ensure a safe working environment including general guidelines for health and safety at our Manufacturing Facility, accident reporting, wearing safety equipment and maintaining clean and orderly work locations. Further, environmental requirements imposed by the Government of India and state governments will continue to have an effect on our operations and us. We believe that we have complied, and will continue to comply with all applicable environmental laws, rules and regulations. We have obtained all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. For details, see *“Government and Other Approvals”* on page 313.

In order to discharge wastewater/ sewage water from our Manufacturing Facility, our Company have installed soil bioreactor wastewater treatment plant which is used to treat wastewater / sewage water and remove pollutants.

### **Information Technology**

We use ZIP ERP software to run our core processes: sales, book keeping, finance, human resources, manufacturing, supply chain, services, procurement, and others. It provides us with visibility, analytics, and efficiency across our business. Using the latest technologies, ERP systems facilitate the flow of real-time information across departments, so we are able to make information driven decisions and manage performance. Our ERP system helps build higher transparency and transaction trails to help validation. Our IT systems are vital to our business.

In order to facilitate our dealers, we have also developed a mobile application for our dealers having various features including order management system, payment details, billing details, accounting reports, sales analysis, other relevant information and reports.

Our manufacturing facility is also equipped with IoT devices which helps us to ensure minimum downtime or our machines, timely maintenance and parts replacement of our machines.

### **Insurance**

Our operations are subject to various risks inherent in the agro chemical industry such as risk of machinery failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. Our principal types of insurance coverage include standard fire and perils insurance policy, burglary policy, boiler, marine policy and pressure plant insurance which covers goods stored in warehouses and also covers property lost or damaged due to earthquakes or terrorism. We also maintain employee compensation insurance, group health insurance and group personal accidental insurance policy for our employees. We believe that our insurance coverage is in accordance with industry custom, including with respect to the terms of and the coverage provided by such insurance. For further details, see *“Risk Factors - Our insurance coverage may not be sufficient or adequate to protect us against all material hazards, which may adversely affect our business, results of operations, financial condition and cash flows.”* on page 50.

### **Human Resources**


We place importance on developing our human resources. As of September 30, 2022, we had 314 employees and hire contract workers as and when required. A combination of full-time employees and contract personnel gives us flexibility to run our business efficiently. In the six months ended September 30, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, our attrition rates were 26.67%, 43.16%, 24.75% and 34.11%, respectively.

The breakdown of our employees as on September 30, 2022 in our business by function is summarised in the following table:

<b>Department</b>	<b>No of workers</b>
Senior Management	4
Sales and Marketing	195
Finance and Accounts	17
HR and admin	9
Factory worker and factory manage team	79
R&D and quality	9
Registration and secretarial compliance	1
<b>Total</b>	<b>314</b>

Our Company regularly conducts: (1) training for fire and safety drills, for our employees; (2) technical training for our workers; and (3) soft skill training sessions for our worker and engineers. Our Company has established health centres at our Manufacturing Facility, which deal with day-to-day health problems, minor injuries and periodic check-ups. Our workers are also covered under specific accident insurance schemes, which provide cover in the event of injuries or death sustained in course of employment

### **Intellectual Property**

We have registered our trademark “ DHARMAJ CROP GUARD LIMITED” under classes 1, 5 and 35 with the Registrar of Trade Marks. As on the date of this Red Herring Prospectus, we have been granted 157 trademarks registrations including our logo and branded products.

### **Competition**

India is our primary market and our Company faces competition in the agro chemical market from domestic as well as from overseas. Our competition varies by market, geographic area and type of product. As a result, to remain competitive in our market, our Company must continuously strive to reduce our operating costs and improve our operating efficiencies. As our product categories are voluminous in nature, we believe that the relevant competition from companies such as Bharat Rasayan Limited, India Pesticides Limited, Heranba Industries Limited, Punjab Chemicals and Crop Protection Limited and Rallis India Limited amongst other, in India. (Source: *Company Commissioned CareEdge Report*). For further details, see “*Industry Overview*” on page 127.

### **Corporate Social Responsibility**

Our Company has adopted a CSR policy in compliance with the requirements of the Companies Act, 2013, and the Companies (Corporate Social Responsibility) Rules, 2014. Our vision on CSR is to pursue a corporate strategy that enables shareholder value enhancement and societal value creation in a mutually reinforcing and synergistic manner. To support our CSR initiatives, we have formed Dharmaj Foundation which undertakes CSR activities for our Company towards providing relief to the poor, education, medical relief and preservation of environment. Our expenses towards corporate social responsibility for four months period ended July 31, 2022, Fiscals 2022 and 2021 were ₹ 0.12 million, ₹ 3.35 million and ₹ 1.71 million, respectively.

### **Property**

Our registered office and manufacturing facility is located at Plot No. 408 to 411, Kerala GIDC Estate, Off NH-8, At: Kerala, Taluka Bavla, Ahmedabad – 382 220, Gujarat, India and the same is obtained on lease for a period of 99 years.

Our corporate office is located at Office No. 901 to 903 & 911, B-square 2, Iscon Ambli Road, Ahmedabad – 380 058, Gujarat, India. We have also obtained a parcel of land from GIDC at Plot no. DP/ 154, Saykha Industrial Estate/ Area, survey no(s). 80/1/P, 81/P, Saykha, Vagra, Bharuch, Gujarat, India on leasehold basis for a period of 99 years for our proposed new manufacturing facility. Further, we have 16 (sixteen) stock depots on leave and license basis.



## KEY REGULATIONS AND POLICIES

*The following is an overview of certain sector-specific relevant laws and regulations which are applicable to the operations of our Company and our Subsidiaries. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice.*

### **The Insecticides Act, 1968 (the “Insecticides Act”)**

The Insecticides Act, as amended, regulates the (i) registration; (ii) licensing; and (iii) quality-control of insecticides. **Registration:** The definition of insecticides includes fungicides and weedicides. Any person who desires to import or manufacture any insecticide is required to apply to the registration committee under the Insecticides Act, for the registration of such insecticide. The functions of the registration committee include registering insecticides after scrutinizing their formulae and verifying claims made by the importer or the manufacturer, as the case may be, as regards their efficacy and safety to human beings and animals. The registration is granted by a central authority and is effective throughout India.

**Licensing:** Any person who desires to manufacture or sell, stock or exhibit for sale or distribute any insecticide, or to undertake commercial pest control operations with the use of any insecticide may make an application to the licensing officer for the grant of a license under the Insecticides Act. Our Company is required to obtain a separate license for each place in which we manufacture, sell or stock for sale our products. The license granted may be revoked or suspended or amended, inter alia, for misrepresentation of an essential fact and failure to comply with the conditions subject to which the license was granted.

**Quality control:** If the use of an insecticide or a batch thereof is likely to lead to such risk to human beings or animals as to render it expedient or necessary to take immediate action, the Central Government or the State Government may prohibit its sale, distribution or use, by notification, for a specified period pending investigation in the matter. If, as a result of its own investigation or on receipt of a report from the State Government, and after consultation with the registration committee, the Central Government is satisfied that the use of the said insecticide or batch is or is not likely to cause any such risk, it may pass such order as it deems fit. The Insecticides Act makes it punishable to import, manufacture, sell, stock and exhibit for sale or distribution any misbranded insecticides. An insecticide is deemed to be misbranded if: (i) its label contains any statement, design or graphic representation relating thereto which is false or misleading in any material particular, or if its package is otherwise deceptive in respect of its contents; or (ii) it is an imitation of, or is sold under the name of, another insecticide; or (iii) its label does not contain a warning or caution which may be necessary and sufficient, if complied with, to prevent risk to human beings or animals; or (iv) any word, statement or other information required by or under the Insecticides Act to appear on the label is not displayed thereon in such conspicuous manner as the other words, statements, designs or graphic matter have been displayed on the label and in such terms as to render it likely to be read and understood by any ordinary individual under customary conditions of purchase and use; or (v) it is not packed or labelled as required by or under the Insecticides Act; or (vi) it is not registered in the manner required by or under the Insecticides Act; or (vii) the label contains any reference to registration other than the registration number; or (viii) the insecticide has a toxicity which is higher than the level prescribed or is mixed or packed with any substance so as to alter its nature or quality or contains any substance which is not included in the registration.

**Penalties:** Contravention of the Insecticides Act is punishable with imprisonment or fine or both, with enhanced punishment for repeat offences. Similarly, a person may be imprisoned for a period of six months to three years depending upon the nature of the offence. Further, the prescribed officer under the Insecticides Act has the power to stop the distribution, sale or use of an insecticide for a specified period which he has reason to believe is being distributed, sold or used in contravention of the Insecticides Act. Additionally, if any person is convicted under the Insecticides Act, the stock of insecticide in respect of which the contravention has been made is liable to be confiscated. The Pesticides (Prohibition) Order, 2018 provides a list of 18 pesticides that no person shall manufacture, import, formulate, transport or sell from the date specified in the order. Further, the Government of India had also proposed to introduce the Banning of Insecticides Order, 2020 which provided a list of 27 prohibited insecticides. This Order has not come into effect as of the date of filing of this Red Herring Prospectus. We are also required to comply with the guidelines issued by the Central Insecticides Board and Registration Committee (“CIB&RC”) and

the Insecticides Rules, 1971. The functions of the CIB&RC include to advise the Central Government and State Governments on technical matters such as the risk to human beings or animals involved in the use of insecticides and the safety measures necessary to prevent such risk and the manufacture, sale, storage, transport and distribution of insecticides with a view to ensure safety to human beings or animals and to carry out other functions assigned to it by or under the Insecticides Act.

### **The Pesticides Management Bill, 2020 (the “Pesticides Management Bill”)**

The Pesticides Management Bill was introduced in the Rajya Sabha on March 23, 2020 and is currently pending approval. It seeks to replace the Insecticides Act, 1968. It seeks to regulate the import, manufacture, storage, sale, distribution, use and disposal of pesticides with a view to ensure availability of safe and effective pesticides and minimise its risk on human beings, animals, living organisms other than pests and the environment.

It defines a pest as species, strain or biotype of plant, animal or pathogenic agent that is unwanted or injurious to plants, plant products, human beings, animals, other living creatures and the environment and includes vectors of parasites or pathogens of human and animal diseases and vermin as defined in the Wild Life (Protection) Act, 1972.

A pesticide is defined as any substance or mixture of substances, including a formulation of chemical or biological origin intended for preventing, destroying, attracting, repelling, mitigating or controlling any pest in agriculture, industry, pest control operations, public health, storage or for ordinary use, and includes any substance intended for use as a plant growth regulator, defoliant, desiccant, fruit thinning agent, or sprouting inhibitor and any substance applied to crops either before or after harvest to protect them from deterioration during storage and transport.

The Pesticides Management Bill provides that any person seeking to import or manufacture any pesticides for ordinary use, agricultural use, etc. shall have to make an application to the registration committee for a certificate of registration. Further, anyone desiring to manufacture, distribute, sell or stock pesticides would have to obtain a licence for the same. Such a license can be revoked by the Licensing Officer if the holder contravenes any provisions of the Pesticides Management Bill or rules made thereunder. State Governments may also appoint qualified persons for sale of extremely toxic or highly toxic pesticides by prescription. Under the Pesticides Management Bill, manufacturing, importing, distributing, selling, exhibiting for sale, transporting, stocking a pesticide, or undertaking pest control operations, without a licence is punishable with imprisonment of up to three years, or a fine of not less than ₹ 1 million and extending up to ₹ 4 million, or both.

It also contemplates the constitution of the Central Pesticides Board to advise the Central and state governments on scientific and technical matters arising under the Pesticides Management Bill. It also proposes for the Central Pesticides Board to advise the Central government in making or formulating (i) criteria for good manufacturing practices for pesticide manufacturers, standards to be observed by laboratories, and best practices for pest control operators, (ii) standards for working conditions and training of workers, and (iii) procedure for recall and disposal of pesticides. The Board will also frame model protocols to deal with occurrences of poisoning

### **The Petroleum Act, 1934**

The Petroleum Act, 1934 regulates the import, transport and storage of petroleum. Persons intending to use petroleum in the manner provided need to acquire a license for the same from relevant authorities. The Central Government, may from time to time, declare by rules and notifications places where petroleum may be imported, the periods within which license shall be applied for, regulations relating to transport of petroleum, nature and conditions in which they may be stored etc.

### **The Explosives Act, 1884 (the “Explosives Act”)**

This is a comprehensive legislation which regulates the manufacture, possession, sale, transportation, export and import of explosives. As per the definition of explosives under the Explosives Act, any substance, whether a single chemical compound or a mixture of substances, used or manufactured with an intent to produce a practical effect by explosion shall be covered under the Explosives Act. The Central Government may, by notification, prohibit, either absolutely or subject to conditions, the manufacture and import of dangerous explosives.

### **The Export (Quality Control and Inspection) Act, 1963 (the “Export Act”)**

The Export Act empowers the Government of India to establish, a council called the Export Inspection Council, which would advise the Central Government regarding measures for the enforcement of quality control and inspection in relation to commodities intended for export and to formulate programmes in connection therewith, to make, with the concurrence of the Central Government, grants-in-aid to various agencies involved in foreign trade

### **Environmental laws**

#### ***The Environment (Protection) Act, 1986, as amended (“EPA”) and the Environment (Protection) Rules, 1986***

The EPA is an umbrella legislation in respect of the various environmental protection laws in India. Under the EPA, the GoI is empowered to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for, inter alia, laying down standards for the quality of environment in its various aspects, laying down standards for emission of discharge of environment pollutants from various sources as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution among others. Penalties for violation of the EPA include fines up to ₹100,000 or imprisonment of up to five years, or both. The imprisonment can extend up to seven years if the violation of the EPA continues. There are provisions 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.

#### ***The Air (Prevention and Control of Pollution) Act, 1981, as amended and in force from time to time (“Air Act”)***

The Air Act has been enacted to provide for the prevention, control and abatement of air pollution. The Air Act was enacted with a view to protect the environment and surroundings from any adverse effects of the pollutants that may emanate from any factory or manufacturing operation or activity. It lays down the limits with regard to emissions and pollutants that are a direct result of any operation or activity. Periodic checks on the factories are mandated in the form of yearly approvals and consents from the corresponding State Pollution Control Boards. Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. 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 pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board.

#### ***The Water (Prevention and Control of Pollution) Act, 1974, as amended (“Water Act”)***

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, 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 Water Act include imposition of fines, or imprisonment, or both.

#### ***The Hazardous and Other Wastes (Management and Trans boundary Movement) Rules, 2016, (“Hazardous Wastes Rules”)***

The Hazardous Wastes Rules impose an obligation on every occupier of a facility generating hazardous waste for safe and environmentally sound handling of hazardous waste generated at such facility. Every person engaged in generation, processing, treatment, packaging, storage, transportation, use, collection, destruction, conversion, offering for sale and transfer of hazardous waste, must obtain an approval from the applicable State Pollution Control Board. The occupier, the importer, the transporter and the operator of disposal facility are liable for damages to the

environment or third party resulting from the improper handling and disposal of hazardous waste.

### ***Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 (the “Hazardous Chemical Rules”)***

The Hazardous Chemical Rules, as amended, were framed under the Environment Protection Act, 1986. These Hazardous Chemical Rules apply to sites in which certain hazardous chemicals are manufactured or stored. An occupier who has control of an industrial activity is required to provide evidence to show that it has, identified the major accident hazards; and taken adequate steps to prevent such major accidents and to limit their consequences to persons and the environment. Further, the occupier is required to provide to persons working on the site with the information, training and equipment including antidotes necessary to ensure their safety. Under the Hazardous Chemical Rules, the occupier is required to submit safety report as specified in Schedule 8 of the Hazardous Chemical Rules. Among other things, the occupier is required to prepare and keep updated on site emergency plan as per Schedule 11 of the Hazardous Chemical Rules, detailing how a major accident will be dealt with on the site on which industrial activity is carried on.

### ***Public Liability Insurance Act, 1991 (“Public Liability Act”)***

The Public Liability Act, as amended, imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substance. A list of hazardous substances covered by the Public Liability Act has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

### ***The Factories Act, 1948 (“Factories Act”)***

The term ‘factory’, as defined under the Factories Act, includes any premises which employs or has employed on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workmen are employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. State Governments have issued rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act mandates the ‘occupier’ of a factory to ensure the health, safety and welfare of all workers in the factory premises. Further, the “occupier” of a factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training and supervision to ensure workers’ health and safety; and (iv) cleanliness and safe working conditions in the factory premises. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

### ***Legal Metrology Act, 2009 (“LM Act”)***

The LM Act aims to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The LM Act and rules framed thereunder regulate, inter alia, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the licence under the LM Act. Any manufacturer dealing instruments for weights and measuring of goods must procure a license from the state department under the LM Act. Any non-compliance or violation under the LM Act may result in inter alia a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

### ***Legal Metrology (Packaged Commodities) Rules, 2011 (“Packaged Commodities Rules”)***

The Packaged Commodities Rules lay down specific provisions applicable to packages intended for retail sale, whole sale and for export and import and also regulate pre-packaged commodities in India, inter alia by mandating certain labelling requirements prior to sale of such commodities. Legal Metrology (Packaged Commodities) (Amendment) Rules (“Packaged Commodity Amendment Rules”) issued on June 23, 2017 have introduced important amendments

to the Packaged Commodity Rules, especially in relation to ecommerce entities. The Packaged Commodity Amendment Rules came into force from January 1, 2018. The key provisions of the Packaged Commodity Amendment Rules are regarding the size of declarations on the label, declaration on e-commerce platforms, declaration of name and address of the manufacturer and fine for contravention.

### **Consumer Protection Act, 2019 (“CP Act”)**

CP Act came into force on August 9, 2019, replacing the Consumer Protection Act, 1986. It has been enacted with an intent to protect the interests of consumers and to establish competent authorities in order to timely and effectively administer and settle consumer disputes. CP Act provides for establishment of a Central Consumer Protection Authority to regulate, among other things, matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements which are prejudicial to the interests of public and consumers. In order to address the consumer disputes ‘redressal mechanism, it provides a mechanism (three tier consumer redressal mechanism at national, state and district levels) for the consumers to file a complaint against a trader or service provider. CP Act provides for penalty for, among others, manufacturing for sale or storing, selling or distributing or importing products containing adulterants and for publishing false or misleading advertisements. The scope of the punitive restraint measures employed by the act include both – monetary penalties for amounts as high as ₹5.00 million to imprisonment which may extend to life sentences, for distinct offences under the act.

### **Bureau of Indian Standards Act, 2016 (“BIS Act”)**

The BIS Act, which was notified on March 22, 2016, has been brought into force with effect from October 12, 2017, repealing and replacing the Bureau of Indian Standards Act, 1986. The BIS Act provides for establishment of Bureau of Indian Standards to take all necessary steps for promotion, monitoring and management of the quality of goods, articles, processes, systems and services, as may be necessary, to protect the interests of consumers and various other stake holders. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or national security. Further, the BIS Act also provides for, among other things, repairing or replacement or reprocessing of standard marked goods or services sold by a certified body but not conforming to the relevant Indian Standard.

### **The Indian Boilers Act, 1923 (“Boilers Act”) and the Indian Boiler Regulations, 1950 (“Boilers Regulations”)**

The Boilers Act provides for inter alia the safety of life and property of persons from the danger of explosions of steam boilers and regulates the possession of steam boilers. It sets out the requirements for achieving uniformity in registration and inspection during operation and maintenance of boilers in India and provides for penalties for illegal use of boilers. The Boilers Regulations provide for, inter alia, standard requirements with respect to material, construction, safety and testing of boilers.

### **Laws related to Labour**

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws, including the

- Industrial Disputes Act, 1947;
- Contract Labour (Regulation and Abolition) Act, 1970;
- Payment of Wages Act, 1936;
- Employees’ Compensation Act, 1923;
- Minimum Wages Act, 1948;
- Employee’s State Insurance Act, 1948;
- Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;
- Trade Unions Act, 1926;
- Payment of Bonus Act, 1965;
- Industrial Employment (Standing Order) Act, 1946;
- Child Labour and Adolescent (Prohibition and Regulation) Act, 1986;

- Payment of Gratuity Act, 1972;
- Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013; and
- Maternity Benefit Act, 1961, among others.

In order to rationalize and reform labour laws in India, the Government has enacted the following codes:

- a. Code on Wages, 2019, which regulates and amalgamates wage and bonus payments and subsumes 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. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees.
- b. Industrial Relations Code, 2020, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes. It subsumes and simplifies the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.
- c. Code on Social Security, 2020, which amends and consolidates laws relating to social security, and subsumes various social security related legislations, inter alia including the Employee’s State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. It governs the constitution and functioning of social security organisations such as the employee’s provident fund and the employee’s state insurance corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees suffer, among others.
- d. Occupational Safety, Health and Working Conditions Code, 2020, which amends and consolidates laws regarding the occupational safety, health and working conditions of persons employed in an establishment. It subsumes various enactments including, among others, the Factories Act, 1948 and the Contract Labour (Regulation and Abolition) Act, 1970.

While certain portions of the Code on Wages, 2019, have now been enforced by the Ministry of Labour and Employment, the remainder of these codes shall become effective on the day that the Government shall notify for this purpose.

Shops and establishments legislations are state legislations that seek to govern and regulate the working conditions of workers and employees employed in commercial establishments or shops or other establishments, as the case may be, within that state. Every such establishment is required to register itself under the relevant state’s shops and establishments legislation in accordance with the procedure laid down therein

## **Intellectual Property Laws**

### ***The Trade Marks Act, 1999, (“Trade Marks Act”)***

The Trade Marks Act, which came into force on December 30, 1999, along with the rules and regulations made thereunder, govern the law pertaining to trade marks in India. A trade mark is essentially any mark capable of being represented graphically, which distinguishes goods or services of one person from those of others, and includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours, or any combination thereof. In India, trademarks enjoy protection under both statutory and common law. Registration of a trade mark grants the owner a right to exclusively use the trade mark as a mark of goods and services and prevents the fraudulent use of marks in India.

The Trade Marks Act permits the registration of trade marks for goods and services. Certification trademarks and collective marks can also be registered under the Trade Marks Act. The Registrar of Trade Marks is the authority responsible for, among other things, registration of trademarks, settling opposition proceedings and rectification of the register of trade marks. The Trade Marks (Amendment) Act, 2010, has been enacted to cover Indian nationals as well as foreign nationals to secure simultaneous protection of trade marks in other countries. The Trade Marks (Amendment) Rules, 2013, were enacted to give effect to the Trade Mark (Amendment) Act, 2010

### **Regulations Related to Foreign Trade**

The foreign policy of India is governed and regulated by the Foreign Trade (Development and Regulation) Act, 1992 (the “**Foreign Trade Act**”). The Foreign Trade Act has empowered the Central Government to make provisions for the development as well as regulation of foreign trade by the way of facilitating imports into as well as augmenting exports from the country and in all the other matters related to foreign trade. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The Foreign Trade Act provides for certain appointments especially that of the Director-General to advise the Central Government in formulating import and export policy and to implement the same. Further, the act commands every importer as well as exporter to obtain a code number called the Importer Exporter Code Number (IEC) from the Director-General or the authorized officer. The act provides the balancing of all the budgetary targets in terms of imports and exports. The principal objectives here include the facilitation of sustain growth as to the exports of the country, the distribution of quality goods and services to the domestic consumer at internationally competitive prices, stimulation of sustained economic growth by providing access to essential raw materials as well as enhancement of technological strength, industry as well as services and improvement of their competitiveness to meet all kinds of requirement of the global markets.

### **Other Laws**

In addition to the above, our Company is also required to comply with the provisions of the Companies Act 2013 and the rules framed thereunder, and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations. Our Company is also amenable to various central and state tax laws, such as the Income Tax Act, 1961, the Customs Act, 1962 and relevant goods and services tax legislations.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was incorporated on January 19, 2015, at Ahmedabad as a public limited company under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the RoC.

### Change in the Registered Office of our Company

Except as provided below, there have been no changes in the registered office of our Company:

Effective Date	Details of change in the address of the Registered Office	Reason
May 5, 2015	From 11, Anmol Park, Bopal, Dascroi, Ahmedabad – 380 058, Gujarat to B 403-404, Signature II, Sanand Cross Road, SG Highway, Ahmedabad – 388 210, Gujarat.	Administrative purpose
October 12, 2020	From B 403-404, Signature II, Sanand Cross Road, SG Highway, Ahmedabad – 388 210, Gujarat to Plot No. 408 to 411, Kerala GIDC Estate, Off NH-8, At: Kerala, Taluka Bavla, Ahmedabad – 382 220, Gujarat, India	Administrative purpose

### Main objects of the Company

The main objects of our Company as contained in our Memorandum of Association are:

*“1. To carry on business as manufacturers, producers, researchers, processors, growers, fermenters, distillers, refiners, makers, inventors, converters, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, bottlers, packers, movers, preservers, stockiest, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires of agrochemicals, fertilizers, pesticides, insecticides, fungicides, weedicides, micro fertilizers & nutrients, bio pesticides & stimulants, veterinary and livestock feeds and feed supplements and its supplements, growth enhancer, regulator & retarders, micro irrigation system, castor oil and derivatives or otherwise dealers in fertilizers, micro fertilizer & nutrients, organic fertilizers, pesticides, bio pesticides, bio stimulants and/or to undertake spraying of such chemicals through manual, mechanical and /or aerial operations, alone or in association with other agencies and/or companies. And also to establish, run, acquire, promote, take over and carry on, the business for manufacturing agricultural products and for their research, improvement, promotional activities in agro genetics, agriculture inputs, bio product, biotech and for the purpose carry on land reform, plantation, farming, agriculture and horticulture development and to raise agriculture output for the purpose to own, occupy, purchase, sell, deal in, hold, hire, lease, improve, grow, develop and to set up agriculture farm, houses, orchard, gardens, greenhouses and to grow produce, process, prepare, extract, refine, or otherwise deal in agricultural, horticultural, ayurvedic and homoeopathic products, farm produce, food grain, cash crop, hay, straw, corn, seeds, oil seeds, plants, flowers, vegetables, fruits, edible oil and preparation of any natural or description whatsoever.*

*2. To carry on business as manufacturers, producers, researchers, processors, growers, fermenters, distillers, refiners, makers, inventors, converters, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, bottlers, packers, movers, preservers, stockiest, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires of public health products for pest control and/or of general insect control and other ancillary products.*

*3. To carry on business as manufacturers, assemblers, stockiest, agents, importers, exporters, traders, whole-sellers, retailers, distributors or dealers of all kinds of sprayers for agricultural purposes and all spare parts of such sprayers.”*

The main object clause and objects incidental or ancillary to the main objects contained in the Memorandum of Association enable our Company to undertake its existing business.



## Amendments to our Memorandum of Association

Set below are the amendments that have been made to our Memorandum of Association since incorporation of our Company:

Date of shareholders resolution	Nature of amendment
March 6, 2017	Clause V was amended to reflect the increase in the authorised share capital from ₹500,000 comprising of 50,000 Equity Shares of ₹ 10 each to ₹ 20,000,000 comprising of 2,000,000 Equity Shares of ₹ 10 each
April 25, 2019	Clause V was amended to reflect the increase in the authorised share capital from ₹20,000,000 comprising of 2,000,000 Equity Shares of ₹ 10 each to ₹ 150,000,000 comprising of 15,000,000 Equity Shares of ₹ 10 each.
October 15, 2019	Clause V was amended to reflect the increase in the authorised share capital from ₹150,000,000 comprising of 15,000,000 Equity Shares of ₹ 10 each to ₹ 165,000,000 comprising of 16,500,000 Equity Shares of ₹ 10 each.
November 25, 2021	Clause V was amended to reflect the increase in the authorised share capital from ₹ 165,000,000 comprising of 16,500,000 Equity Shares of ₹ 10 each to ₹ 350,000,000 comprising of 35,000,000 Equity Shares of ₹ 10 each.
November 25, 2021	Clause III(A) was amended to read as follows:  <i>“1. To carry on business as manufacturers, producers, researchers, processors, growers, fermenters, distillers, refiners, makers, inventors, converters, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, bottlers, packers, movers, preservers, stockiest, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires of agrochemicals, fertilizers, pesticides, insecticides, fungicides, weedicides, micro fertilizers &amp; nutrients, bio pesticides &amp; stimulants, veterinary and livestock feeds and feed supplements and its supplements, growth enhancer, regulator &amp; retarders, micro irrigation system, castor oil and derivatives or otherwise dealers in fertilizers, micro fertilizer &amp; nutrients ,organic fertilizers, pesticides, bio pesticides, bio stimulants and/or to undertake spraying of such chemicals through manual, mechanical and /or aerial operations, alone or in association with other agencies and/or companies. And also to establish, run, acquire, promote, take over and carry on, the business for manufacturing agricultural products and for their research, improvement ,promotional activities in agro genetics, agriculture inputs, bio product, biotech and for the purpose carry on land reform, plantation, farming, agriculture and horticulture development and to raise agriculture output for the purpose to own, occupy, purchase, sell, deal in, hold, hire, lease, improve, grow, develop and to set up agriculture farm, houses, orchard, gardens, greenhouses and to grow produce, process, prepare, extract, refine, or otherwise deal in agricultural, horticultural, ayurvedic and homoeopathic products, farm produce, food grain, cash crop, hay, straw, corn, seeds, oil seeds, plants, flowers, vegetables, fruits, edible oil and preparation of any natural or description whatsoever.</i>  <i>2. To carry on business as manufacturers, producers, researchers, processors, growers, fermenters, distillers, refiners, makers, inventors, converters, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, bottlers, packers, movers, preservers, stockiest, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires of public health products for pest control and/or of general insect control and other ancillary products.</i>  <i>3. To carry on business as manufacturers, assemblers, stockiest, agents, importers, exporters, traders, whole-sellers, retailers, distributors or dealers of all kinds of sprayers for agricultural purposes and all spare parts of such sprayers.”</i>

## Major events and milestones

The table below sets for the major events and milestones in the history of our Company:

Calendar Year	Details
2016	Acquired Plot No. 408 and 409 at Kerala GIDC Estate, Taluka Bavla, Ahmedabad on lease for 99 years and commencement of manufacturing facility for agrochemical formulations
2019	Acquired Plot No 410 and 411 at Kerala GIDC Estate, Taluka Bavla, Ahmedabad on lease for 99 years for expansion of manufacturing capacity of agrochemical formulations.
2019	Crossed turnover of ₹ 1,000.00 million and reached to turnover of ₹ 1,393.56 million for the financial year 2018-19.
2021	Crossed turnover of ₹ 3,000.00 million and reached to turnover of ₹ 3,024.10 million for the financial year 2020-21. Acquired land at Saykha, Bharuch, Gujarat on lease basis for 99 years for setting up a new facility for manufacturing Agrochemical Technicals and its intermediates.

## Key awards, accreditations and recognitions

Calendar Year	Awards, accreditations and recognitions
2018	Our Company received ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certificate of registration from Alcumus ISOQAR for management system, which is applicable for development and manufacturing of agrochemical formulations such as insecticides, herbicides, fungicides, micro fertilizers and plant growth regulators (PGR).
2019	Received Best Brand Award (Agriculture/ Pesticides) at Gujarat Brand Leadership Award 2019
2021	Received appreciation from Office of Mamlatdar and Executive Magistrate, Bavla for helping generously to the local and needy persons, specifically during Covid Pandemic and Tauktae Cyclone.
2021	The QC Laboratory of our Company received certificate of accreditation from National Accreditation Board for Testing and Calibration Laboratories (NABL) and has been assessed and accredited in accordance with the standard ISO/IEC 17025:2017
2022	Received the runner up award for the best Emerging company in the Medium Scale Unit category from the Pesticides Manufacturer and Formulator Association of India (PMFAI)
2022	Received appreciation of “Gujarat Na Anmol Ratna” from ABP Network

## Significant financial or strategic partnerships

Our Company does not have any significant financial and strategic partners as on the date of this Red Herring Prospectus.

## Time/cost overrun

We have not experienced any instances of time/ cost overrun in the setting up of any projects.

## Capacity/facility creation, location of plants

For details of capacity/facility creation, location of our manufacturing facility, see “*Our Business*” on page 154.

## Lock-out and strikes

There have been no instances of strikes or lock-outs at any time in our Company.

## Launch of key products or services, entry in new geographies or exit from existing markets

For details of launch of key products or services, entry in new geographies or exit from existing markets, please refer to the section entitled “*Our Business*” on page 154.

**Defaults or rescheduling/restructuring of borrowings with financial institutions/banks**

There are no defaults or rescheduling/restructuring of borrowings availed by our Company from financial institutions or banks.

**Details regarding material acquisition or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. since incorporation**

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any merger, amalgamation or any revaluation of assets since incorporation.

**Details of Shareholders’ agreement**

As on date of this Red Herring Prospectus, there are no subsisting shareholders’ agreements among our shareholders vis-à-vis our Company.

Further, as on the date of this Red Herring Prospectus, none of our Promoters or the Shareholders of the Company has any special rights in the Company.

**Agreements with Key Managerial Personnel, Directors, Promoters or any other employee**

Neither our Promoters, nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

**Other material agreements**

Our Company has not entered into any other subsisting material agreement, including with strategic partners, joint venture partners or financial partners, other than in the ordinary course of business.

**Holding Company**

As on the date of this Red Herring Prospectus, our Company does not have a holding company.

**Subsidiaries of our Company**

As on the date of this Red Herring Prospectus, our Company does not have any subsidiary company.

**Joint Ventures of our Company**

As on the date of this Red Herring Prospectus, our Company does not have any joint ventures or associate companies.

**Guarantees given by Promoters offering its shares in the Offer for Sale**

Our Promoters are not participating in the Offer for Sale.

## OUR MANAGEMENT

The Articles of Association require that our Board shall comprise of not less than three Directors and not more than fifteen Directors, provided that our Shareholders may appoint more than fifteen Directors after passing a special resolution in a general meeting.

As on the date of filing this Red Herring Prospectus, we have 6 (six) Directors on our Board, of whom 3 (three) are Executive Directors and 3 (three) are Independent Directors including one Independent woman Director. Our Company is in compliance with the corporate governance laws prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

### Board of Directors

The following table sets forth the details of our Board as on the date of filing of this Red Herring Prospectus with SEBI:

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (in years)	Other directorships
<p><b>Rameshbhai Ravajibhai Talavia</b></p> <p><i>Designation:</i> Chairman and Managing Director</p> <p><i>Date of birth:</i> July 15, 1969</p> <p><i>Address:</i> A-1002, Ratnam Panorama, South Bopal, Near Amramanjani Society, Hebatpur, Bopal, Ahmedabad- 380058, Gujarat, India</p> <p><i>Occupation:</i> Business</p> <p><i>Current term:</i> For a period of five years with effect from March 6, 2020 to March 5, 2025</p> <p><i>Period of Directorship:</i> Since January 19, 2015</p> <p><i>DIN:</i> 01619743</p>	53	1. Agro Chemicals Manufacturers Association of India
<p><b>Jamankumar Hansarajbhai Talavia</b></p> <p><i>Designation:</i> Whole time Director</p> <p><i>Date of birth:</i> July 10, 1969</p> <p><i>Address:</i> 404, Garden Residency-3, B/h. Shaym Villa, Bopal, Gala Gymkhana Road, Bopal, Ahmedabad- 380058, Gujarat, India</p> <p><i>Occupation:</i> Business</p> <p><i>Current term:</i> For a period five years with effect from August 1, 2022 till July 31, 2027 and liable to retire by rotation</p> <p><i>Period of directorship:</i> Since January 19, 2015</p> <p><i>DIN:</i> 01525356</p>	53	Nil

<b>Name, designation, date of birth, address, occupation, current term, period of directorship and DIN</b>	<b>Age (in years)</b>	<b>Other directorships</b>
<p><b>Jagdishbhai Ravjibhai Savaliya</b></p> <p><i>Designation:</i> Whole time Director</p> <p><i>Date of birth:</i> April 14, 1978</p> <p><i>Address:</i> E-504, Shree Lakshminarayan Residency, Behind Devbhumi Bungalows Opp Garden Residency 2, Ghuma, Ahmedabad 380058, Gujarat, India.</p> <p><i>Occupation:</i> Business</p> <p><i>Current term:</i> For a period of five years with effect from August 1, 2022 till July 31, 2027 and liable to retire by rotation.</p> <p><i>Period of directorship:</i> Director since April 1, 2016</p> <p><i>DIN:</i> 06481920</p>	44	Nil.
<p><b>Deepak Bachubhai Kanparia</b></p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of birth:</i> June 1, 1968</p> <p><i>Address:</i> A-201 Surabhi Apartment, Nr Tulsi Row House, Jodhpur Gam Road, Satellite Ahmedabad 380015, Gujarat, India</p> <p><i>Occupation:</i> Professional</p> <p><i>Current term:</i> For a period of five years with effect from October 1, 2019 till September 30, 2024</p> <p><i>Period of directorship:</i> Director since October 1, 2019</p> <p><i>DIN:</i> 06860678</p>	54	1. Dharmajivan Greentech Private Limited
<p><b>Bhaveshkumar Jayantibhai Ponkiya</b></p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of birth:</i> March 17, 1986</p> <p><i>Address:</i> A-303 Swati Gardenia Behind Torrent Sub Station Makarba Main Road, Makarba, Ahmedabad – 380051, Gujarat, India</p> <p><i>Occupation:</i> Professional</p>	36	Nil

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (in years)	Other directorships
<i>Current term:</i> For a period of five years with effect from November 18, 2021 till November 17, 2026		
<i>Period of directorship:</i> Since November 18, 2021		
<i>DIN:</i> 09378123		
<b>Amisha Fenil Shah</b>	31	Mahickra Chemicals Limited
<i>Designation:</i> Independent Director		
<i>Date of birth:</i> December 27, 1990		
<i>Address:</i> 17/197 Rameshwar Apartment, Sola HBC Road, Naranpura, Ahmedabad 380063, Gujarat, India.		
<i>Occupation:</i> Practicing Company Secretary		
<i>Current term:</i> For a period of five years with effect from November 27, 2021 till November 26, 2026		
<i>Period of directorship:</i> Since November 27, 2021		
<i>DIN:</i> 09411332		

#### **Brief profiles of our Directors**

**Rameshbhai Ravajibhai Talavia**, the Chairman and Managing Director of our Company. He holds a bachelor's degree in Science (Agriculture) from the Gujarat Agricultural University. Previously, he was working with E.I.D. Parry (India) Limited as Senior Marketing Officer and Crop Life Science Limited as Director. He has over 28 years of experience in various aspects of agro chemical industry.

**Jamankumar Hansarajbhai Talavia**, is a Whole-time Director of our Company. He holds a bachelor's degree in Science (Agriculture) from the Gujarat Agricultural University. Previously, he was working with E.I.D. Parry (India) Limited, Coromandel Fertilizers Limited and Crop Life Science Limited. He has been associated with our Company since its incorporation. He heads the manufacturing and purchase processes at our manufacturing facility. He was awarded the Best Marketing Representative by Parrys, Certificate of Merit at Coromandel – Godavari Meet 2007 and Diamond Market Representative Award by EID Parry-Coromandel Fertilizers. He has over 22 years of experience in various aspects of agro chemical industry.

**Jagdishbhai Ravajibhai Savaliya**, the Whole-time Director of our Company. He holds a bachelor's degree in Science from the Saurashtra University. Previously, he was working with Sunrise Pharmaceuticals, Crop Life Science Limited, Sabero Organics Gujarat Limited and Cratus Life Care. He heads the research and development and production process at our manufacturing facility. He has over 21 years of experience in various aspects of agro chemical industry.

**Deepak Bachubhai Kanparia**, is an Independent Director of our Company. He holds a bachelor's degree in Technology (Agricultural Engineering) from Gujarat Agricultural University and diploma in Computer Applications from Datatech Computer. He has also completed Management Development Programme in HR Skills for Non-HR Professional from Nirma University. Previously, he was working with Netafim Irrigation India Private Limited as AGM Sales and Marketing. He is also associated as Director with Dharmajivan Greentech Private Limited. He has over 23 years of experience in various aspects of agro chemical industry.

**Bhaveshkumar Jayantibhai Ponkiya**, is an Independent Director of our Company. He holds a bachelor's degree in

Commerce from the Gujarat University, bachelor's degree in law from Gujarat University and a member of Institute of Chartered Accountants of India. He is a practicing Chartered Accountant since 2013. He has over 8 years of experience in audit and taxation.

**Amisha Fenil Shah**, is an Independent Director of our Company. She holds a bachelor's degree in Commerce from the Gujarat University, bachelors' degree in law form Gujarat University and a member of Institute of Company Secretaries of India. She was working with Asya Infosoft Limited and is practising Company Secretary since 2017. She has over 6 years of experience in secretarial matters.

#### ***Relationship between our Directors and Key Managerial Personnel***

Except Rameshbhai Ravajibhai Talavia and Jamankumar Hansarajbhai Talavia who are first cousins, none of our other Directors are related to each other or to any of our Key Managerial Personnel.

#### **Arrangement or understanding with major shareholders, customers, suppliers or others.**

None of our Directors have been nominated, appointed or selected pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

#### **Service contracts with Directors**

Our Company has not entered into any service contracts with our Directors which provide for benefits upon the termination of their employment.

#### **Payment or benefit to Directors of our Company**

#### **Terms of appointment of our Executive Directors**

##### **1. Rameshbhai Ravajibhai Talavia**

Our Board of Directors in its meeting held on February 29, 2020 and our Shareholders in their annual general meeting held on November 7, 2020 approved the re-appointment of Rameshbhai Ravajibhai Talavia as the Managing Director of our Company for a period of 5 years with effect from March 6, 2020 to March 5, 2025. The following table sets forth the terms of appointment of Rameshbhai Ravajibhai Talavia:

<b>Basic Salary</b>	4,00,000 per month
<b>House Rent Allowance</b>	1,60,000 per month
<b>Special Allowance</b>	3,82,507 per month
<b>Bonus</b>	8.33% per month of the Basic Salary
<b>Insurance</b>	Accident and Mediciclaim Insurance Premium of the Director and his dependents/Parents and Children
<b>Reimbursement</b>	Telephone Bills, Petrol Expenses, and others expense, relating to the Company subject to submission of receipts.
<b>Other</b>	In addition to above, other benefits like Gratuity, Provident fund, superannuation fund, leave entitlement, encashment of leave and other deferred benefits payable as per the rules of the Company.

The above remuneration shall be upto the limit of ₹ 10,00,000/- per month.

He shall also be eligible of reimbursements of travelling expenses with family to anywhere in India or abroad as per rules of the Company subject to maximum of ₹ 5,00,000/- per annum.

##### **2. Jamankumar Hansarajbhai Talavia**

Our Board of Directors in its meeting held on May 14, 2022 and our Shareholders in their annual general meeting held on September 15, 2022 approved the appointment of Jamankumar Hansarajbhai Talavia as the Whole time Director of our Company, liable to retire by rotation for a period of five years with effect from August 1, 2022 till July 31,

2027. The following table sets forth the terms of appointment of Jamankumar Hansarajbhai Talavia:

<b>Basic Salary</b>	3,20,000 per month
<b>House Rent Allowance</b>	1,28,000 per month
<b>Special Allowance</b>	3,05,017 per month
<b>Bonus</b>	8.33% per month of the Basic Salary
<b>Insurance</b>	Accident and Mediciam Insurance Premium of the Director and his dependents/Parents and Children
<b>Reimbursement</b>	Telephone Bills, Petrol Expenses, and others expense, relating to the Company subject to submission of receipts.
<b>Other</b>	In addition to above, other benefits like Gratuity, Provident fund, superannuation fund, leave entitlement, encashment of leave and other deferred benefits payable as per the rules of the Company.

The above remuneration shall be upto the limit of ₹ 8,00,000/- per month.

He shall also be eligible of reimbursements of travelling expenses with family to anywhere in India or abroad as per rules of the Company subject to maximum of ₹ 4,00,000/- per annum.

### 3. Jagdishbhai Ravjibhai Savaliya

Our Board of Directors in its meeting held on May 14, 2022 and our Shareholders in their annual general meeting held on September 15, 2022 approved the re-appointment of Jagdishbhai Ravjibhai Savaliya as the Whole time Director of our Company, liable to retire by rotation for a period of five years with effect from August 1, 2022 till July 31, 2027. The following table sets forth the terms of appointment:

<b>Basic Salary</b>	2,00,000 per month
<b>House Rent Allowance</b>	80,000 per month
<b>Special Allowance</b>	1,88,783 per month
<b>Bonus</b>	8.33% per month of the Basic Salary
<b>Insurance</b>	Accident and Mediciam Insurance Premium of the Director and his dependents/Parents and Children
<b>Reimbursement</b>	Telephone Bills, Petrol Expenses, and others expense, relating to the Company subject to submission of receipts.
<b>Other</b>	In addition to above, other benefits like Gratuity, Provident fund, superannuation fund, leave entitlement, encashment of leave and other deferred benefits payable as per the rules of the Company.

The above remuneration shall be upto the limit of ₹ 5,00,000/- per month.

He shall also be eligible of reimbursements of travelling expenses with family to anywhere in India or abroad as per rules of the Company subject to maximum of ₹ 4,00,000/- per annum.

### Remuneration of our Directors from our Company

#### (a) Executive Directors

The following table sets forth the details of the remuneration paid by our Company to our Executive Directors for the Fiscal 2022:

Sr. No.	Name of the Executive Director	Remuneration (in ₹ million)
1.	Rameshbhai Ravajibhai Talavia	3.15
2.	Jamankumar Hansarajbhai Talavia	2.92
3.	Jagdishbhai Ravjibhai Savaliya	1.89

#### (b) Independent Directors

Pursuant to a resolution of the Board dated September 5, 2020, our Independent Directors are entitled to receive sitting



fees of ₹ 5,000 for attending each meeting of our Board.

The following table sets forth the details of the sitting fees paid by our Company to our Independent Directors for the Fiscal 2022:

Sr. No.	Name of the Independent Director	Sitting Fees (in ₹ million)
1.	Deepak Bachubhai Kanparia	0.03
2.	Maheshkumar Balubhai Joshi <sup>#</sup>	0.02
3.	Bhaveshkumar Jayantibhai Ponkiya <sup>**</sup>	0.01
4.	Amisha Fenil Shah <sup>*</sup>	0.01

<sup>\*</sup>Appointed as a Director with effect from November 27, 2021.

<sup>\*\*</sup>Appointed as a Director with effect from November 18, 2021.

<sup>#</sup>Resigned from the Board of Directors with effect from October 21, 2021

### Contingent and deferred compensation payable to the Directors

As on the date of this Red Herring Prospectus, there is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

### Bonus or profit-sharing plan for our Directors

Our Company does not have performance linked bonus or a profit-sharing plan in which our Directors have participated. For details of the performance bonus payable to them as a part of their respective remuneration, see “*Our Management – Payment or benefit to Directors of our Company*” on page 192.

### Shareholding of our Directors and Key Managerial Personnel in our Company

Our Articles do not require our Directors to hold any qualification shares.

Except as disclosed below, as on the date of this Red Herring Prospectus, none of our Directors and Key Managerial Personnel hold any Equity Shares in our Company:

Sr. No.	Name of the Director and Key Managerial Personnel	No. of Equity Shares held
1.	Rameshbhai Ravajibhai Talavia	9,008,087
2.	Jamankumar Hansarajbhai Talavia	8,250,255
3.	Vishal Domadia	1,290,000
4.	Jagdishbhai Ravajibhai Savaliya	507,600

### Borrowing Powers

In accordance with our Articles of Association and subject to the provisions of the Companies Act, and pursuant to a resolution of the Shareholders of our Company passed in their extraordinary general meeting held on July 15, 2021, in accordance with Section 180 of the Companies Act, our Board is authorised to borrow such sums of money from time to time, with or without security, on such terms and conditions as it may consider fit notwithstanding that the amount to be borrowed together with the amount already borrowed by our Company (apart from temporary loans obtained from our Company’s bankers in the ordinary course of business) exceeds the aggregate of the paid up capital and free reserves of our Company provided that the total amount borrowed by the Board and outstanding at any point of time shall not exceed ₹ 10,000.00 million.

### Interest of Directors

Our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company as well as sitting fees, if any, payable to them for attending meetings of our Board or Committees thereof and loan advanced by them to the Company. For further details, see “– *Terms of Appointment*”

of our Executive Directors”, “– Remuneration of our Directors from our Company”, each on page 192.

Our Chairman and Managing Director - Rameshbhai Ravajibhai Talavia, Whole time Directors Jamankumar Hansarajbhai Talavia and Jagdishbhai Ravajibhai Savaliya, may also be regarded as interested in Equity Shares held by them, if any, (together with dividends and other distributions in respect of such Equity Shares), held by them or that may be held by the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters. Certain of our Directors may also be regarded as interested in the Equity Shares held by them or that may pursuant to the Offer, be subscribed by or allotted to them, their relatives or to the companies, firms and trusts, in which they are also interested as directors, members, partners, trustees and promoters. For further details regarding the shareholding of our Directors, see “– Shareholding of Directors and Key Managerial Personnel in our Company” on page 194.

Certain of our Directors may be deemed to be interested in the contracts, transactions, agreements or arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity. Some of our Directors are interested to the extent of interest received from our Company on unsecured loans provided by them to the Company. For further details, see “Financial Information – Restated Financial Statement – Note 36 – Disclosure of transactions with Related Parties, as required by Indian Accounting Standard (Ind AS) - 24 Related Party Disclosures” on page 258.

There is no material existing or anticipated transaction whereby Directors will receive any proceeds from the Net Issue.

#### ***Interest of Directors in the promotion and formation of our Company***

As on the date of this Red Herring Prospectus, except for Rameshbhai Ravajibhai Talavia, Jamankumar Hansarajbhai Talavia, Jagdishbhai Ravajibhai Savaliya and Vishal Domadia, none of our other Directors and Key Managerial Personnels are interested in the promotion of our Company. For further details, see “Our Promoters and Promoter Group” on page 209.

#### ***Interest in property***

Our Directors do not have any interest in any property acquired or proposed to be acquired by or of our Company.

Our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

#### ***Business interest***

Except as stated in “Financial Information – Restated Financial Statements – Note 36 – Disclosure of transactions with Related Parties, as required by Indian Accounting Standard (Ind AS) - 24 Related Party Disclosures” beginning on page 258 and as disclosed in this section, our Directors do not have any other interest in our business.

#### **Confirmations**

None of our Directors have been identified as Wilful Defaulters or a Fraudulent Borrower, as defined under the SEBI ICDR Regulations.

Our Directors are not, and have not, during the five years preceding the date of this Red Herring Prospectus, been on the board of any listed company whose shares have been or were suspended from being traded on the BSE or NSE during their term of directorship in such company.

None of our Directors have been or are directors on the board of listed companies which have been or were delisted from any stock exchange(s) during their term of directorship in such company.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to

become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

### **Changes to the Board in the last three years**

The changes in the Board in the last three years immediately preceding the date of this Red Herring Prospectus are as follows:

<b>Name of Director</b>	<b>Date of Change</b>	<b>Reasons</b>
Bhaveshkumar Jayantibhai Ponkiya	November 18, 2021	Appointment
Maheshkumar Balubhai Joshi	October 21, 2021	Resignation
Vishal Domadia	October 22, 2021	Resignation
Manjulaben Rameshbhai Talavia	October 22, 2021	Resignation
Muktaben Jamankumar Talavia	October 22, 2021	Resignation
Amisha Fenil Shah	November 27, 2021	Appointment

### **Corporate Governance**

The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, 2013, pertaining to the constitution of the Board and committees thereof.

As on the date of filing this Red Herring Prospectus, we have six Directors on our Board, of whom three are Independent Directors including one Independent woman Director.

### **Committees of our Board of Directors**

In addition to the committees of our Board of Directors detailed below, our Board of Directors may, from time to time constitute committees for various functions.

- a. Audit Committee;
- b. Nomination and Remuneration Committee;
- c. Stakeholders' Relationship Committee;
- d. Corporate Social Responsibility Committee;
- e. Risk Management Committee; and
- f. IPO Committee

### **Audit Committee**

The Audit Committee was re-constituted by a meeting of the Board held on November 18, 2021. The members of the Audit Committee are:

<b>Name of Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Bhaveshkumar Jayantibhai Ponkiya	Chairman	Independent Director
Deepak Bachubhai Kanparia	Member	Independent Director
Rameshbhai Ravajibhai Talavia	Member	Chairman and Managing Director

The Company Secretary of our Company shall serve as the secretary of the Audit Committee. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. The terms of reference of the Audit Committee are as follows:

#### **A. Powers of Audit Committee**

The Audit Committee shall have powers, including the following:

1. to investigate any activity within its terms of reference
2. to seek information from any employee
3. to obtain outside legal or other professional advice;
4. management discussion and analysis of financial condition and results of operations;
5. to secure attendance of outsiders with relevant expertise, if it considers necessary; and
6. such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

### **Role of Audit Committee**

The role of the Audit Committee shall include the following:

- (1) oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;
- (2) recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) formulation of a policy on related party transactions, which shall include materiality of related party transactions;
- (5) reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- (6) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. 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
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions; and
  - g. Modified opinion(s) in the draft audit report,
- (7) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- (8) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (9) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (10) approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;  
*Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.*
- (11) laying down the criteria for granting omnibus approval in line with the Company's policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;
- (12) scrutiny of inter-corporate loans and investments;
- (13) valuation of undertakings or assets of the Company, wherever it is necessary;
- (14) evaluation of internal financial controls and risk management systems;
- (15) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (16) 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;

- (17) discussion with internal auditors of any significant findings and follow up there on;
- (18) 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;
- (19) 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;
- (20) recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- (21) 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;
- (22) reviewing the functioning of the whistle blower mechanism;
- (23) monitoring the end use of funds raised through public offers and related matters;
- (24) overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- (25) approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (26) reviewing the utilization of loans and/or advances from / investment by the holding company in the subsidiary exceeding ₹ 1,000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing;
- (27) to consider the rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc. of the Company and provide comments to the Company's shareholders;
- (28) to review compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall verify that the systems for internal control under the said regulations are adequate and are operating effectively; and
- (29) carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

The Audit Committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses;
- e) The appointment, removal and terms of remuneration of the chief internal auditor;
- f) Statement of deviations in terms of the SEBI Listing Regulations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations; and
  - b. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations.
- g) review the financial statements, in particular, the investments made by any unlisted subsidiary.

#### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee was re-constituted by a meeting of the Board held on November 27, 2021. The members of the Nomination and Remuneration Committee are:

<b>Name of Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Bhaveshkumar Jayantibhai Ponkiya	Chairman	Independent Director

<b>Name of Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Deepak Bachubhai Kanparia	Member	Independent Director
Amisha Fenil Shah	Member	Independent Director

The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The terms of reference of the 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 of directors of the Company (the “**Board**” or “**Board of Directors**”) a policy relating to the remuneration of the directors, key managerial personnel and other employees (“**Remuneration Policy**”);

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
  - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.
- (2) formulation of criteria for evaluation of performance of independent directors and the Board;
  - (3) devising a policy on Board diversity;
  - (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
  - (5) reviewing and recommending to the Board, manpower plan/ budget and sanction of new senior management positions from time to time in the future;
  - (6) for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the committee may:
    - (i) use the services of an external agencies, if required;
    - (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
    - (iii) consider the time commitments of the candidates,
  - (7) extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
  - (8) evaluation and recommendation of termination of appointment of directors in accordance with the Board's governance principles for cause or for other appropriate reasons;
  - (9) making recommendations to the Board in relation to the appointment, promotion and removal of the senior

management personnel;

- (10) recommending to the board, all remuneration, in whatever form, payable to senior management, including revisions thereto;
- (11) administering, monitoring and formulating detailed terms and conditions of the Employees Stock Option Scheme of the Company;
- (12) framing suitable policies and systems to ensure that there is no violation, as amended from time to time, of any securities laws or any other applicable laws in India or overseas, including:
  - (i) the SEBI Insider Trading Regulations; and
  - (ii) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended;
- (13) carrying out any other function as is mandated by the Board from time to time and / or enforced/mandated by any statutory notification, amendment or modification, as may be applicable;
- (14) performing such other functions as may be necessary or appropriate for the performance of its duties;
- (15) periodically reviewing and re-examining the terms of reference and making recommendations to our Board for any proposed changes;
- (16) developing a succession plan for our Board and senior management and regularly reviewing the plan;
- (17) consideration and determination of the nomination and remuneration policy based on performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate; and
- (18) perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

#### **Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee was constituted by a meeting of the Board held on November 18, 2021. The members of the Stakeholders' Relationship Committee are:

<b>Name of Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Deepak Bachubhai Kanparia	Chairman	Independent Director
Jamankumar Hansarajbhai Talavia	Member	Whole Time Director
Rameshbhai Ravajibhai Talavia	Member	Chairman and Managing Director

The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee are as follows:

- (1) considering and specifically looking into various aspects of interests of shareholders, debenture holders and other security holders;
- (2) resolving the grievances of the security holders of the listed entity including complaints related to allotment of shares, transfer of shares or debentures, including non-receipt of share or debenture certificates and review of cases for refusal of transfer / transmission of shares and debentures, depository receipt, non-receipt of annual report , balance sheet or profit and loss account, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;

- (3) review of measures taken for effective exercise of voting rights by shareholders;
- (4) investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (5) giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- (6) review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;
- (7) review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
- (8) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority

### **Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee was re-constituted by a meeting of the Board held on November 18, 2021. The members of the Corporate Social Responsibility Committee are:

<b>Name of Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Bhaveshkumar Jayantibhai Ponkiya	Chairman	Independent Director
Deepak Bachubhai Kanparia	Member	Independent Director
Rameshbhai Ravajibhai Talavia	Member	Chairman and Managing Director

The scope and functions of the Corporate Social Responsibility Committee of our Company are in accordance with Section 135 of the Companies Act, 2013 and the applicable rules thereunder, and have been set out below:

- (i) formulate and recommend to the Board, a “Corporate Social Responsibility Policy” which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;
- (ii) identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (iii) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various corporate social responsibility programs undertaken by the Company;
- (iv) delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (v) review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- (vi) assistance to the Board to ensure that our Company spends towards the corporate social responsibility activities in every Fiscal, such percentage of average net profit/ amount as may be prescribed in the Companies Act, 2013 and/ or rules made thereunder;
- (vii) providing explanation to the Board if the Company fails to spend the prescribed amount within the financial year;
- (viii) providing updates to our Board at regular intervals of six months on the corporate social responsibility activities;



- (ix) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time; and
- (x) exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act.

### **Risk Management Committee**

The Risk Management Committee was constituted by a meeting of the Board held on November 18, 2021. The members of the Risk Management Committee are:

<b>Name of Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Rameshbhai Ravajibhai Talavia	Chairman	Chairman and Managing Director
Deepak Bachubhai Kanparia	Member	Independent Director
Jamankumar Hansarajbhai Talavia	Member	Whole time Director

The scope and functions of the Risk Management Committee are in accordance with Regulation 21 of the SEBI Listing Regulations. The terms of reference of the Risk Management Committee are as follows:

1. To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof. The risk management policy shall include the following:
  - (i) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
  - (ii) Measures for risk mitigation including systems and processes for internal control of identified risks; and
  - (iii) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
4. To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;
5. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
6. To implement and monitor policies and/or processes for ensuring cyber security;
7. To frame, devise and monitor risk management plan and policy of the Company, including evaluating the adequacy of risk management systems;
8. To review and recommend potential risk involved in any new business plans and processes;
9. To review the Company's risk-reward performance to align with the Company's overall policy objectives;
10. Monitor and review regular updates on business continuity;
11. Advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy; and
12. Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority."

### **IPO Committee**

The IPO Committee was constituted by a meeting of the Board held on November 18, 2021. The members of the IPO Committee are:

<b>Name of Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Rameshbhai Ravajibhai Talavia	Chairman	Chairman and Managing Director
Jamankumar Hansarajbhai Talavia	Member	Whole time Director

<b>Name of Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Jagdishbhai Ravjibhai Savaliya	Member	Whole time Director

The terms of reference of the IPO Committee are as follows:

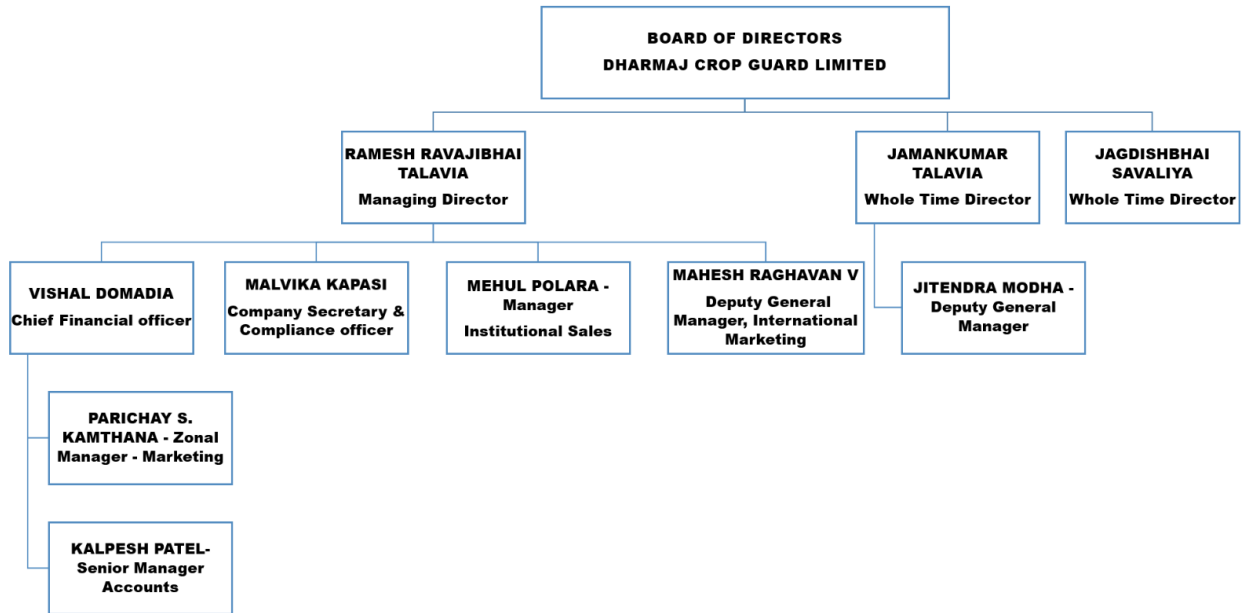
The IPO Committee is hereby authorized, on behalf of the Board, to approve, implement, negotiate, carry out and decide upon, along with the Selling Shareholder all activities in connection with the IPO as permitted under applicable law including but without limitation:

- (1) To decide, negotiate and finalise the pricing, the terms of the issue of the Equity Shares and all other related matters regarding the Pre-IPO Placement, if any, including the execution of the relevant documents with the investors, in consultation with the book running lead managers appointed in relation to the Offer (“**BRLM**”);
- (2) to decide in consultation with the BRLM the actual size of the Offer and taking on record the number of equity shares, having face value of ₹ 10 per equity share (the “**Equity Shares**”), and/or reservation on a competitive basis, and/or any rounding off in the event of any oversubscription and/or any discount to be offered to retail individual bidders or eligible employees participating in the Offer and all the terms and conditions of the Offer, including without limitation timing, opening and closing dates of the Offer, price band, allocation/allotment to eligible persons pursuant to the Offer, including any anchor investors, and to accept any amendments, modifications, variations or alterations thereto;
- (3) to appoint, instruct and enter into agreements with the BRLM, and in consultation with BRLM appoint and enter into agreements with intermediaries, co-managers, underwriters, syndicate members, brokers, escrow collection bankers, auditors, independent chartered accountants, refund bankers, registrar, grading agency, monitoring agency, industry expert, legal counsels, depositories, custodians, credit rating agencies, printers, advertising agency(ies), and any other agencies or persons (including any successors or replacements thereof) whose appointment is required in relation to the Offer and to negotiate and finalize the terms of their appointment, including but not limited to execution of the mandate letters and offer agreement with the BRLM, and the underwriting agreement with the underwriters, and to terminate agreements or arrangements with such intermediaries;
- (4) to make any alteration, addition or variation in relation to the Offer, in consultation with the BRLM or SEBI or such other authorities as may be required, and without prejudice to the generality of the aforesaid, deciding the exact Offer structure and the exact component of issue of Equity Shares;
- (5) to finalise, settle, approve, adopt and arrange for submission of the draft red herring prospectus (“**DRHP**”), the red herring prospectus (“**RHP**”), the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices, clarifications, reply to observations, addenda or corrigenda thereto, to appropriate government and regulatory authorities, respective stock exchanges where the Equity Shares are proposed to be listed (“**Stock Exchanges**”), the Registrar of Companies, Gujarat at Ahmedabad (“**Registrar of Companies**”), institutions or bodies;
- (6) to invite the existing shareholders of the Company to participate in the Offer to offer for sale the Equity Shares held by them at the same price as in the Offer;
- (7) To take all actions as may be necessary and authorised in connection with the offer for sale and to approve and take on record the approval of the selling shareholder(s) for offering their Equity Shares in the offer for sale and the transfer of Equity Shares in the offer for sale;
- (8) to issue advertisements in such newspapers and other media as it may deem fit and proper, in consultation with the relevant intermediaries appointed for the Offer in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”), Companies Act, 2013, as amended and other applicable laws;
- (9) to decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if

- any, and on permitting existing shareholders to sell any Equity Shares held by them;
- (10) to open separate escrow accounts as the escrow account to receive application monies from anchor investors/underwriters in respect of the bid amounts and a bank account as the refund account for handling refunds in relation to the Offer and in respect of which a refund, if any will be made;
  - (11) to open account with the bankers to the Offer to receive application monies in relation to the Offer in terms of Section 40(3) of the Companies Act, 2013, as amended;
  - (12) to do all such deeds and acts as may be required to dematerialise the Equity Shares and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection, with power to authorise one or more officers of the Company to execute all or any such documents;
  - (13) to negotiate, finalise, sign, execute and deliver or arrange the delivery of the offer agreement, syndicate agreement, cash escrow and sponsor bank agreement, underwriting agreement, agreements with the registrar to the Offer, monitoring agency and the advertising agency(ies) and all other agreements, documents, deeds, memorandum of understanding and other instruments whatsoever with the registrar to the Offer, monitoring agency, legal counsel, auditors, Stock Exchanges, BRLM and other agencies/ intermediaries in connection with Offer with the power to authorize one or more officers of the Company to execute all or any of the aforesaid documents;
  - (14) to make any applications, seek clarifications, obtain approvals and seek exemptions, if necessary, from the Stock Exchange, the Securities and Exchange Board of India (“**SEBI**”), the Reserve Bank of India (“**RBI**”), Registrar of Companies and such other statutory and governmental authorities in connection with the Offer, as required by applicable law, and to accept, on behalf of the Board, such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, exemptions, permissions and sanctions as may be required, and wherever necessary, incorporate such modifications / amendments as may be required in the DRHP, RHP and the Prospectus;
  - (15) to make in-principle and final applications for listing and trading of the Equity Shares on one or more Stock Exchanges, to execute and to deliver or arrange the delivery of the equity listing agreement(s) or equivalent documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing
  - (16) to determine and finalize, in consultation with the BRLM, the price band for the Offer and minimum bid lot for the purpose of bidding, any revision to the price band and the final Offer price after bid closure, and to finalize the basis of allocation and to allot the Equity Shares to the successful allottees and credit Equity Shares to the demat accounts of the successful allottees in accordance with applicable laws and undertake other matters in connection with or incidental to the Offer, including determining the anchor investor portion, in accordance with the SEBI ICDR Regulations;
  - (17) to issue receipts/allotment advice/confirmation of allocation 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 aforementioned documents;
  - (18) to approve the code of conduct, suitable insider trading policy, whistle blower/vigil mechanism policy, risk management policy and other corporate governance requirements considered necessary by the Board or the IPO Committee or as required under applicable law;
  - (19) to seek, if required, the consent and waivers of the parties with whom the Company has entered into various commercial and other agreements such as Company’s lenders, joint venture partners, all concerned governmental and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Offer in accordance with the applicable laws;

- (20) to determine the price at which the Equity Shares are offered, issued, allocated, transferred and/or allotted to investors in the Offer in accordance with applicable regulations in consultation with the BRLM and/or any other advisors, and determine the discount, if any, proposed to be offered to eligible categories of investors;
- (21) to settle all questions, difficulties or doubts that may arise in relation to the Offer, as it may in its absolute discretion deem fit;
- (22) to do all acts and deeds, and execute all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary for the purpose of or in connection with the Offer;
- (23) to authorize and approve the incurring of expenditure and payment of fees, commissions, brokerage and remuneration in connection with the Offer;
- (24) to withdraw the DRHP or RHP or to decide not to proceed with the Offer at any stage, in consultation with the BRLM and in accordance with the SEBI ICDR Regulations and applicable laws;
- (25) To determine the utilization of proceeds of the fresh issue, if applicable and accept and appropriate proceeds of such fresh issue in accordance with the Applicable Laws;
- (26) To authorize any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Offer or provide clarifications to the SEBI, Registrar of Companies and the relevant Stock Exchange(s) where the Equity Shares are to be listed;
- (27) To authorize the affixation of the common seal of the Company on such documents in this connection as may be required in accordance with the provisions of the Articles of Association of the Company and Applicable Law; and
- (28) To authorize and empower officers of the Company (each, an “**Authorized Officer(s)**”), 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 Officer(s) consider necessary, appropriate or advisable, in connection with the Offer, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreement(s) with the Stock Exchange(s), the registrar’s agreement and memorandum of understanding, the depositories’ agreements, the offer agreement with the BRLM (and other entities as appropriate), the underwriting agreement, the syndicate agreement with the BRLM and syndicate members, the cash escrow and sponsor bank agreement, confirmation of allocation notes, allotment advice, placement agents, registrar to the Offer, bankers to the Company, managers, underwriters, escrow agents, accountants, auditors, legal counsel, depositories, advertising agency(ies), syndicate members, brokers, escrow collection bankers, auditors, grading agency, monitoring agency and all such persons or agencies as may be involved in or concerned with the Offer, if any, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Offer by the BRLM and to do or cause to be done any and all such acts or things that the Authorized Officer(s) may deem necessary, appropriate or desirable in order to carry out the purpose and intent of the foregoing resolutions for the Offer; and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer(s) shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing.

## Management organisation chart



## Key Management Personnel

For details in relation to the biographies of our Executive Directors, see “– *Brief profiles of our Directors*” on page 191. The details of the Key Managerial Personnel of our Company are as follows:

**Vishal Domadia**, is the Chief Financial Officer of our Company with effect from October 1, 2019. He holds a bachelor’s degree in Science (Agriculture) from Junagadh Agricultural University, master’s degree in Business Administration (Agribusiness) from Allahabad Agricultural Institute. He has completed a certificate course on computer concepts from DOEACC Society. Prior to joining our Company, he was working with Cheminova India Limited, Crop Life Science Limited, Sumitoma Chemical India Private Limited and Excel Crop Care Limited. He has also promoted our group company, Khetipoint Private Limited. He has received a remuneration of ₹ 2.26 million in Fiscal 2022.

**Malvika Bhadreshbhai Kapasi**, is the Company Secretary and Compliance Officer of our Company with effect from October 19, 2021. She holds a bachelor’s degree in Commerce from Gujarat University, bachelor’s degree in law from Gujarat University and is a member of the Institute of Company Secretaries of India. Prior to joining our Company, she was working with Kayel Securities Limited, Ideal Systems Limited and S.S.B.I. Exports Private Limited. She has received a remuneration of ₹ 0.19 million in Fiscal 2022.

All the Key Managerial Personnel are permanent employees of our Company.

## Senior Management Personnel

The details of our other Senior Management Personnel as on the date of this Red Herring Prospectus are as follows:

**Kalpesh C. Patel** is the Senior Manager of Accounts of our Company with effect from October 1, 2021. He was appointed as Account Executive with effect from February 3, 2016. He holds a bachelor’s degree in Law from Gujarat University and master’s degree in Commerce from Gujarat University. Prior to joining our Company, he was associated with Jyoti Power Corporation Private Limited, Elitecore Technologies Private Limited, Jaihind Projects Limited, Dev Graphics Private Limited and RiMi Distributors. He has received a remuneration of ₹ 1.00 million in Fiscal 2022.

**Mehulkumar H. Polara** is the Manager-Institutional Sales of our Company with effect from November 7, 2019. He

holds a bachelor's degree in Science (Agriculture) from Junagadh Agricultural University and master's degree in Science (Agriculture) from Junagadh Agricultural University. Prior to joining our Company, he was associated with Akshay Seed Tech Co. and Excel Crop Care Limited. He has received a remuneration of ₹ 1.54 million in Fiscal 2022.

**Mahesh Raghavan Vellichiramallika** is the Deputy General Manager, International Marketing of our Company with effect from February 16, 2018. He holds a bachelor's degree in Commerce from Gujarat University. Prior to joining our Company, he has worked with Meghmani Organics Limited as Manager – International Marketing from October, 2006 to February, 2018. He has received a remuneration of ₹ 1.37 million in Fiscal 2022.

**Jitendra Modha** is the Deputy General Manager of our Company with effect from August 8, 2018. He holds a bachelor's degree in Science from Saurashtra University. Prior to joining our Company, he has worked with Sabero Organics Gujarat Limited as a Deputy Manager of Quality Control from June, 1995 to July, 2013 and in Heranba Industries Limited as a Manager Quality Control from August 1, 2013 to August 1, 2018. He has received a remuneration of ₹ 1.40 million in Fiscal 2022.

**Parichay S. Kamthana** is the Zonal Manager – Marketing Department of our Company with effect from May 1, 2016. He holds a bachelor's degree in Technology (Agricultural Engineering) from Gujarat Agricultural University and master's degree in Science (Information Technology in Agriculture) from Dhirubhai Ambani Institute of Information and Communication Technology. Prior to joining our Company, he has worked with Sumitomo Chemical India Private Limited – Japan as Area Sales Manager/ Regional Co-ordinator (For Agro Chemicals Business) from June 2011 to January 2015. He has received a remuneration of ₹ 1.55 million in Fiscal 2022.

#### **Relationship among Key Management Personnel and Directors**

Except as disclosed in “*Relationship between our Directors*” on page 192, none of our other Key Management Personnel are related to each other.

#### **Arrangements and understanding with major shareholders, customers, suppliers or others**

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

#### **Shareholding of the Key Management Personnel**

Except as disclosed in “*Shareholding of our Directors and Key Managerial Personnel in our Company*” on page 194, none of our other Key Management Personnel hold any Equity Shares in our Company.

#### **Retirement and termination benefits**

Our Key Managerial Personnel have not entered into any service contracts with our Company which include termination or retirement benefits. Except statutory benefits upon termination of their employment in our Company or superannuation, none of the Key Managerial Personnel is entitled to any benefit upon termination of employment or superannuation.

#### **Contingent and deferred compensation payable to Key Managerial Personnel**

As on the date of this Red Herring Prospectus, there is no contingent or deferred compensation which accrued to our Key Managerial Personnel for Fiscal 2022, which does not form part of their remuneration for such period.

#### **Bonus or profit-sharing plan of the Key Managerial Personnel**

Our Company has no profit-sharing plan in which the Key Managerial Personnel participate.

#### ***Interest of our Key Management Personnel***

Other than Vishal Domadia who is one of our Promoters, and are interested as disclosed in the section entitled “*Our*

*Promoters and Promoter Group*” on page 209, none of our Key Management Personnel have any interest in the promotion or formation of our Company other than in the ordinary course of business.

The Key Management Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service.

The Key Management Personnel may also be deemed to be interested in the Equity Shares, if any, held by them, and dividend payable to them and other distributions in respect of Equity Shares held by them, if any.

Further, our Key Management Personnel may be deemed to be interested to the extent as disclosed in “*-Interest of Directors*” on page 194.

### **Changes in the Key Management Personnel in last three years**

The details of the changes in the Key Management Personnel of our Company in the last three years are as follows:

<b>Name</b>	<b>Designation</b>	<b>Date of change</b>	<b>Reason of change</b>
Priyanka Choubey	Company Secretary	October 18, 2021	Resignation
Malvika Bhadreshbhai Kapasi	Company Secretary and Compliance Officer	October 19, 2021	Appointment
Vishal Domadia	Whole time Director	October 22, 2021	Resignation

The rate of attrition of our Key Managerial Personnel is not high in comparison to the industry in which we operate.

### **Employee stock option plan**

Our Company does not have an employee stock option scheme.

### **Payment or benefits to the Key Management Personnel (non-salary related)**

No non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company’s officers and Key Management Personnel within the two preceding years from the date of filing of this Red Herring Prospectus, other than in the ordinary course of their employment.

## OUR PROMOTER AND PROMOTER GROUP

The Promoters of our Company are:

1. Rameshbhai Ravajibhai Talavia;
2. Jamankumar Hansarajbhai Talavia;
3. Jagdishbhai Ravjibhai Savaliya; and
4. Vishal Domadia.

As on the date of this Red Herring Prospectus, our Promoters, in aggregate, hold 19,055,942 Equity Shares, representing 77.20% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company.

For details of the build-up of our Promoters' shareholding in our Company, please refer to the section entitled "*Capital Structure – History of build-up of Promoters' shareholding and lock-in of Promoters' shareholding including Promoters' contribution – Build-up of the Promoters' shareholding in our Company*" on page 87.

Details of our Promoters are as follows:

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### **Rameshbhai Ravajibhai Talavia**



**Permanent Account Number:** ABFPT3814P

Rameshbhai Ravajibhai Talavia, aged 53 years, is one of our Promoters, and is also the Chairman and Managing Director of our Company. For the complete profile of Rameshbhai Ravajibhai Talavia, along with details of his date of birth, personal address, educational qualifications, experience in the business or employment, his business and financial activities, positions and posts held in the past other directorships and special achievements, please refer to the section entitled "*Our Management*" on page 189

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### **Jamankumar Hansarajbhai Talavia**



**Permanent Account Number:** AAYPT7017J

Jamankumar Hansarajbhai Talavia, aged 53 years, is one of our Promoters, and is also the Whole time Director of our Company. For the complete profile of Jamankumar Hansarajbhai Talavia, along with details of his date of birth, personal address, educational qualifications, experience in the business or employment, his business and financial activities, positions and posts held in the past, other directorships and special achievements, please refer to the section entitled "*Our Management*" on page 189

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### **Jagdishbhai Ravjibhai Savaliya**



**Permanent Account Number:** BHYP9471H

Jagdishbhai Ravjibhai Savaliya, aged 44 years, is one of our Promoters, and is also the Whole time Director of our Company. For the complete profile of Jagdishbhai Ravjibhai Savaliya, along with details of his date of birth, personal address, educational qualifications, experience in the business or employment, his business and financial activities, positions and posts held in the past, other directorships and special achievements, please refer to the section entitled "*Our Management*" on page 189

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**Vishal Domadia**

**Address:** B-501, Garden Residency 2, South Bopal Road, Bopal, Ahmedabad – 380 058, Gujarat, India

**Date of Birth:** December 24, 1985

**Permanent Account Number:** AMEPD9451A

**Other directorship:** Khetipoint Private Limited

Vishal Domadia, aged 36 years, is one of our Promoters, and is also the Chief Financial Officer of our Company. For the other details of Vishal Domadia, with respect to educational qualifications, experience in the business or employment, his business and financial activities, positions and posts held in the past other directorships and special achievements, please refer to the section entitled “*Our Management – Key Management Personnel*” on page 206

Except Khetipoint Private Limited, he is not involved in any other venture.

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Our Company confirms that the permanent account numbers, addhar card number, driving license number, bank account number(s) and the passport number of each of our Promoters have been submitted to the Stock Exchanges, at the time of filing of the Draft Red Herring Prospectus with them.

**Relationship between our Promoters**

Except Rameshbhai Ravajibhai Talavia and Jamankumar Hansarajbhai Talavia who are first cousins, none of our Promoters are related to each other.

**Change in management and control of our Company**

There has not been any change in the control of our Company in the five years immediately preceding the date of this Red Herring Prospectus.

**Interest of Promoters**

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding in our Company, directly or indirectly along with that of their relatives, their directorship in our Company and the dividends payable, if any, and any other distributions in respect of their respective shareholding in our Company or the shareholding of their relatives in our Company, from time to time. For further details of our Promoters’ shareholding, see “*Capital Structure*” on page 83. For further details of interest of our Promoters in our Company, see “*Financial Statements*” on page 218.

Rameshbhai Ravajibhai Talavia, Jamankumar Hansarajbhai Talavia and Jagdishbhai Ravajibhai Savaliya, who are Directors of our Company and Vishal Domadia who is a Chief Financial Officer of our Company, may be deemed to be interested to the extent of remuneration, benefits, reimbursement of expenses, and commission payable, if any. For further details, see “*Our Management - Payment or benefit to Directors of our Company – Remuneration to Executive Directors*” and “*Our Management - Payment or benefits to the Key Management Personnel (non-salary related)*” on page 192 and 208.

Our Promoters do not have any interest, whether direct or indirect, in any property acquired by our Company within the preceding three years from the date of this Red Herring Prospectus or proposed to be acquired by it as on the date of this Red Herring Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery, or other such transaction. For further details, see “*Related Party Transactions*” on page 208.

Our Promoters do not have any direct or indirect interest in the properties that our Company has taken on lease.

No sum has been paid or agreed to be paid to any of our Promoters or to any firm or company in which any of our Promoters are interested as a member, in cash or shares or otherwise by any person either to induce any of our individual Promoters to become, or qualify them as a director, or otherwise for services rendered by any of our Promoters or by such firm or company in connection with the promotion or formation of our Company.

### **Payment or benefits to our Promoters or our Promoter Group**

Except in the ordinary course of business and as disclosed in “*Related Party Transactions*” and “*Restated Financial Information – Note 36 – Disclosure of transactions with Related Parties, as required by Indian Accounting Standard (Ind AS) - 24 Related Party Disclosures*” on pages 216 and 247, respectively, no amount or benefit has been paid or given to our Promoters or any of the members of the Promoter Group during the two years preceding the filing of this Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or any of the members of the Promoter Group other than in the ordinary course of business.

The remuneration to the Promoters is being paid in accordance with their respective terms of appointment.

### **Litigations involving our Promoters**

Except as disclosed under “*Outstanding Litigation and Material Developments*” on page 308, there is no litigation or legal and regulatory proceedings involving our Promoters as on the date of this Prospectus.

### **Companies or firms with which our Promoters have disassociated in the last three years**

Our Promoters have not disassociated themselves from any company or firm in the last three years preceding the date of this Red Herring Prospectus.

### **Experience of our Promoter in the business of our Company**

For details in relation to experience of our Promoters in the business of our Company namely Rameshbhai Ravajibhai Talavia; Jamankumar Hansarajbhai Talavia and Jagdishbhai Ravajibhai Savaliya see “*Our Management*” on page 189 and of Vishal Domadia see “*Our Management – Key Management Personnel*” on page 206.

### **Material Guarantees**

Other than the guarantees provided by our Promoters in relation to certain of our loans as and when required, our Promoters have not given any material guarantees to any third parties with respect to the Equity Shares as on the date of this Red Herring Prospectus. For details see, “*Financial Indebtedness*” and “*Financial Statements – Notes to the Restated Financial Statements*” on pages 274 and 218.

### **Confirmations**

Our Promoters and members of our Promoter Group have not been declared wilful defaulters or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by Reserve Bank of India.

Our Promoters and members of our Promoter Group have not been 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 are not and have never been promoters, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

### **Promoter Group**

In addition to our Promoters, individual and entities that form part of the Promoter Group of our Company in terms

of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

**a. Natural Person**

The natural persons who are part of our Promoter Group (being the immediate relatives of our Promoters), apart from our Promoters mentioned above are as follows:

<b>Name of the Promoter</b>	<b>Name of the relative</b>	<b>Relationship</b>	
Rameshbhai Ravajibhai Talavia	Ravajibhai Hira Talavia	Father	
	Hemiben Ravajibhai Talavia	Mother	
	Manjulaben Rameshbhai Talavia	Spouse	
	Dharmendrabhai Ravajibhai Talaviya	Brother	
	Nitaben Gandubhai Sangani	Sister	
	Gitaben Rameshbhai Vaghasia	Sister	
	Darshit Talavia	Son	
	Megi Talavia	Daughter	
	Maganbhai Gelabhai Ramani	Spouse's Father	
	Nanduben Maganbhai Ramani	Spouse's Mother	
	Shardaben Harsukhbhai Bhuva	Spouse's Sister	
	Jignaben Riteshbhai Savlia	Spouse's Sister	
	Jamankumar Hansarajbhai Talavia	Hansarajbhai Hiraji Talavia	Father
		Muktaben Jamankumar Talavia	Spouse
Talaviya Jentibhai Hansarajbhai		Brother	
Talaviya Kishorbhai Hansarajbhai		Brother	
Leelaben Girdharbhai Vaghasia		Sister	
Kanchanben Nitinbhai Gondlia		Sister	
Jinal Jamankumar Talavia		Daughter	
Hitarth Jamankumar Talavia		Son	
Mansukhbhai Karsanbhai Domadia		Spouse's Brother	
Domadiya Parsotambhai Karshanbhai		Spouse's Brother	
Kailasben Rameshbhai Nasit		Spouse's Sister	
Hansaben Rameshbhai Jiyani		Spouse's Sister	
Bhavishaben Arvindbhai Mayani		Spouse's Sister	
Jagdishbhai Ravajibhai Savaliya		Ravajibhai Dayabhai Savaliya	Father
	Raiyaben Ravajibhai Savaliya	Mother	
	Ilaben Jagdishbhai Savaliya	Spouse	
	Shantilal R. Savaliya	Brother	
	Rekhaben P. Ponkiya	Sister	
	Rutu Jagdishbhai Savaliya	Daughter	
	Vidhi Jagdishbhai Savaliya	Daughter	
	Hareshbhai Parsotambhai Vagadia	Spouse's Brother	
	Gitaben Dhirubhai Kachhadiya	Spouse's Sister	
Vishal Domadia	Haribhai Kanajibhai Domadia	Father	
	Dayaben Haribhai Domadia	Mother	
	Domadia Artiben	Spouse	
	Neela Kirankumar Dobaria	Sister	
	Hiral Ramjibhai Mavani	Sister	
	Sonal Ponkiya	Sister	
	Navya Domadia	Daughter	
	Neeva Domadia	Daughter	
	Harsukhbhai Gajera	Spouse's Father	

<b>Name of the Promoter</b>	<b>Name of the relative</b>	<b>Relationship</b>
	Kiranben Harsukhbhai Gajera	Spouse's Mother
	Satish Harsukhbhai Gajera	Spouse's Brother

***b. Companies and entities***

1. Khetipoint Private Limited
2. Dharmaj Foundation
3. Agri Business Center

***c. Hindu Undivided Families forming part of the Promoter Group***

1. Rameshbhai Ravjibhai Talavia HUF
2. Jamankumar Hansarajbhai Talavia HUF
3. Jagdishbhai Savaliya HUF
4. Vishal Domadia HUF
5. Ravjibhai H Talavia HUF
6. Hansarajbhai Talavia HUF
7. Haribhai Kanajibhai Domadia HUF

***d. Persons whose shareholding is aggregated under the heading "shareholding of the promoter group"***

1. Prafullaben Shantilal Savaliya jointly with Shantilal Ravjibhai Savaliya

## OUR GROUP COMPANY

Pursuant to a resolution dated November 18, 2021, our Board has noted that in accordance with the SEBI ICDR Regulations and for the purpose of disclosure in this Red Herring Prospectus, group companies of our Company shall include (i) the companies (other than the corporate Promoters and subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Information during any of the last three Fiscals; or (ii) such other company (other than the Corporate Promoters and subsidiaries) as deemed material by our Board.

In terms of the materiality policy, our Board has identified Khetipoint Private Limited as our group company (“**Group Company**”):

### **A. Details of Group Company**

#### **1. Khetipoint Private Limited (“KPL”)**

KPL was incorporated on November 25, 2020, under the Companies Act, 2013, as a private limited company. The registered office address of KPL is G-303, Garden Residency – 3, South Bopal B/H, Shyamvilla Bunglow, Gala Gymkhana Road, Ahmedabad – 380 058, Gujarat, India. The CIN of KPL is U01409GJ2020PTC118444.

The audited financial statements of KPL for Fiscal 2022 is available on the website of KPL i.e. [www.khetipoint.in](http://www.khetipoint.in)

### **B. Litigation**

KPL is not a party to any pending litigations which has a material impact on our Company or the Offer.

### **C. Nature and extent of interests of Group Company**

As on the date of this Red Herring Prospectus the nature and extent of interests of KPL is as follows:

#### **(i) In the promotion of our Company**

Our Group Company do not have any interest in the promotion or formation of our Company.

#### **(ii) In the properties acquired by our Company in the preceding three years before filing this Red Herring Prospectus or proposed to be acquired by our Company**

Our Group Company do not have any interest in any property acquired by our Company in the three years preceding the date of filing this Red Herring Prospectus or proposed to be acquired by it as on date of this Red Herring Prospectus.

#### **(iii) In transactions for acquisition of land, construction of buildings and supply of machinery**

Except as set forth in “*Financial Statements – Restated Financial Statements – Note 36 – Disclosure of transactions with Related Parties, as required by Indian Accounting Standard (Ind AS) - 24 Related Party Disclosures*” on page 258, our Group Company do not have an interest in any transaction by our Company pertaining to acquisition of land, construction of building and supply of machinery.

### **D. Related business transactions within the Group Company and significance on the financial performance of our Company**

Except as set forth in “*Financial Statements – Restated Financial Statements – Note 36 – Disclosure of transactions with Related Parties, as required by Indian Accounting Standard (Ind AS) - 24 Related Party Disclosures*” on page 258, no related party transactions have been entered into between our Group Company and our Company, as on the date of the Restated Financial Statements included in this Red Herring Prospectus.

### **E. Business interest or other interests**

Except as disclosed in “*Related Party Transactions*” on page 216, our Group Company does not have any business interest in our Company

**F. Common pursuits amongst the Group Company and our Company**

Our Group Company is not involved in any kind of common pursuits with the Company as on the date of this Red Herring Prospectus

**G. Other confirmations**

None of our Group Company have any securities listed on a stock exchange.

## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., Ind AS 24 - Related Party Disclosures read with the SEBI ICDR Regulations, for the four months period ended on July 31, 2022 and for the Financial Year 2022, Financial Year 2021, and Financial Year 2020, see “*Financial Information – Restated Financial Information – Note 36 – Disclosure of transactions with Related Parties, as required by Indian Accounting Standard (Ind AS) - 24 Related Party Disclosures*” on page 258.

## 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 distribution policy of our Company was approved and adopted by our Board at its meeting dated November 18, 2021 (“**Dividend Policy**”).

Declaration of dividend, if any, will depend on a number of factors, including but not limited to the capital expenditure requirements, profit earned during the year and profit available for distribution, working capital requirements, business expansion and growth, additional investment in subsidiaries, cost of borrowing, economic environment, capital markets, and other factors considered by our Board of Directors. The Articles of Association also provides discretion to our Board to declare and pay interim dividends.

Except as stated below our Company has not declared any dividends:

Particulars	April 1, 2022 till the date of this RHP	Fiscal 2022	Fiscal 2021	Fiscal 2020
No. of Equity Shares	24,683,372	24,683,372	16,455,581	16,455,581
Face value per Equity Share (in ₹)	10	10	10	10
Aggregate Dividend (in ₹)	-	2,468,337	1,645,558	-
Dividend per Equity Share (in ₹)	-	0.01	0.01	-
Rate of dividend (%)	-	1	1	-
Dividend Distribution Tax (%)	-	-	-	-
Dividend Distribution Tax (in ₹)	-	-	-	-
Mode of Payment of Dividend	-	NEFT / DD	NEFT	-

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 SEBI Listing Regulations and other applicable laws.



**SECTION V: FINANCIAL INFORMATION**

**FINANCIAL STATEMENTS**

<b>Sr. No.</b>	<b>Financial Statements</b>
1.	Examination report on the Restated Financial Statements
2.	Restated Financial Statements

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## **Examination Report on Restated Financial Information of Dharmaj Crop Guard Limited**

**To**

**The Board of Directors,**

**Dharmaj Crop Guard Limited.**

Dear Sirs,

1. We, KARMA & Co LLP, Chartered Accountants (“we” or “us”) have examined the attached Restated Financial Information of Dharmaj Crop Guard Limited (the “Company”) (CIN: U24100GJ2015PLC081941), which comprises of the Restated Statement of Assets and Liabilities as at July 31, 2022, March 31, 2022, March 31, 2021 and 2020, the Restated Statement of Profit and Loss (including other comprehensive income) and Restated Statement of Changes in Equity for the period ended July 31, 2022, March 31, 2022, March 31, 2021 and 2020, the Restated Statement of Cash Flows for the period ended July 31, 2022, March 31, 2022, March 31, 2021 and 2020, and the Summary of Significant Accounting Policies, read with annexures and notes thereto and other restated financial information for the respective years (collectively, the “Restated Financial Information”), annexed to this report, for the purpose of inclusion in the addendum to Draft Red Herring Prospectus (“Addendum), Red Herring Prospectus (“RHP”) and Prospectus (collectively referred to as ‘Offer Documents’) prepared by the Company in connection with its proposed initial public offer of Equity shares (‘IPO’). The Restated Financial Information has been approved by the Board of Directors of the Company in their meeting held on November 10, 2022 and is 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 (the ‘ICDR Regulations’); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as amended from time to time (the ‘Guidance Note’).
2. The preparation of the Restated Financial Information which is to be included in Offer Documents is the responsibility of the Management of the Company for the purpose set out in paragraph 12 below. The Management’s responsibility includes, but not restricted to, designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Summary Financial Information. The Management is also responsible for ensuring that the Company complies with the Act, the Rules, ICDR Regulations and Guidance Note. Our responsibility is to examine the Restated Financial Information and confirm whether such Restated Financial Information comply with the requirements of the Act, the Rules, ICDR Regulations and the Guidance Note.

■ Head Off. : 503, 5th Floor, "PATRON", Opp. Kensville Golf Academy, Rajpath Club to S P Ring Road,  
Bodakdev, Ahmedabad - 380054 LLPIN : AAO-7574  
Tel : 079 40394154 E-mail : ahd.office@karmallp.in



3. We have examined such Restated Financial Information taking into consideration:
  - a) The terms of our reference and engagement agreed with you in accordance with our engagement letter dated November 18, 2021 requesting us to carry out the assignment, in connection with the offer document being issued by the Company for its proposed IPO; and
  - b) The Guidance note also require that we comply with the ethical requirements of the code of ethics issued by ICAI.
  - c) Concept of test check and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information
  - d) The requirement of section of the act and the SEBI ICDR Regulation our work was performed solely to assist you in meeting your responsibility in relation to your compliance with the Act, the SEBI ICDR regulation and the guidance note in connection with the IPO of the company.
4. The Restated Financial Information of the Company have been compiled by the management from:
  - a) Audited Ind AS financial statement of the company as at and for the period ended July 31, 2022 and year ended March 31, 2022 prepare in accordance with the Indian Accounting Standard specified under section 133 of the act and other accounting principal generally accepted in India which have been approved by the Board of Director at their meeting held on September 17, 2022 and August 03, 2022 respectively.
  - b) Audited financial statements of the Company as at and for the Year ended March 31, 2021 and March 31, 2020, prepared in accordance with the accounting standards notified under section 133 of the Companies Act, 2013, (“Previous GAAP”) which was approved by the Board of Directors at their meeting held on August 07, 2021 and November 07, 2020 (collectively, “Audited Previous GAAP financial statements”).
  - c) Re-Audited Special purpose financial statements of the Company as at and for years ended March 31, 2021 and March 31, 2020 prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on January 18th, 2022
  - d) We have re-audited the special purpose financial information of the Company for the year ended March 31, 2021 and March 31, 2020 prepared by the Company in accordance with the Indian Accounting Standard (“Ind AS”) for the limited purpose of complying with the requirement of getting its financial statements audited and certified by an audit firm holding a valid peer review certificate issued by the “Peer Review Board” of the ICAI as required by ICDR Regulations in relation to proposed IPO. We have issued our report dated 18/11/2021 on this special purpose financial information to the Board of Directors who have approved these Special Purpose financial information in their meeting held on 18/11/2021.
5. For the purpose of our examination, we have relied on Auditor’s report issued by us dated September 17, 2022, August 03, 2022, August 07, 2021 and November 07, 2020 on the financial statements of the Company as at and for the period ended July 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 respectively, which express an unmodified opinion.

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6. In accordance with the requirements of sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of Part I of Chapter III of the Act read with, Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the ICDR Regulations and the Guidance Note and based on the above we report that:
- a) The Restated Summary Statement of Assets and Liabilities of the Company as at July 31, 2022, March 31, 2022 as audited by us and for the year March 31, 2021, March 31, 2020 re-audited by us, as set out in Annexure I to this report read with the significant accounting policies in Annexure V, are after making such adjustments and regroupings / reclassifications as in our opinion were appropriate and more fully described in the Notes to the Restated financial Statements in Annexure VI to this report.
  - b) The Restated Summary Statement of Profits and Losses (including other comprehensive income) of the Company for the period ended on July 31, 2022 and for the year ended March 31, 2022 as audited by us and for the year ended March 31, 2021 and March 31, 2020 re-audited by us, as set out in Annexure II to this report read with the significant accounting policies in Annexure V, are after making such adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in the Notes to the Restated Financial Statements in Annexure VI to this report.
  - c) The Restated Summary Statement of Changes in Equity of the Company for the period ended on July 31, 2022 and for the year ended March 31, 2022 as audited by us and for the year ended March 31, 2021 and March 31, 2020 re-audited by us, as set out in Annexure IV to this report read with the significant accounting policies in Annexure V, are after making such adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in the Notes to the Restated Financial Statements enclosed as Annexure VI to this report.
  - d) The Restated Summary Statement of Cash Flows of the Company for the period ended on July 31, 2022 and for the year ended March 31, 2022 as audited by us and for the year ended March 31, 2021 and March 31, 2020 re-audited by us, as set out in Annexure III to this report read with the significant accounting policies in Annexure V, are after making such adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in the Notes to the Restated Financial Statements enclosed as Annexure VI to this report.
7. Based on the above, and based on the reliance placed on the report of the auditors referred to in paragraph 5 and according to the information and explanations given to us, we are of the opinion that:
- a) Restated Financial Information have been made after incorporating adjustments for change in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting years;
  - b) Restated Financial Information have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;
  - c) Restated Financial Information do not contain any exceptional items that need to be disclosed separately in the Restated Statements;



- d) There are no qualifications in the statutory auditor's report on the Financial Statements of the Company for the year ended July 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 which requires any adjustments in the Restate Financial Information.
8. We have also examined the following Restated Financial Information proposed to be included in the Offer Documents, prepared by the management and approved by the Board of Directors of the Company and annexed to this report, as at or for the period ended July 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020.
9. According to the information and explanations given to us, in our opinion, the Restated Financial Statements and the above Restated Financial Information contained in Annexures I to VIII accompanying this report, read with Notes to the Restated Statements of Assets and Liabilities, Statement of Profits and Losses, Statement of Changes in Equity and Statement of Cash Flows are prepared after making adjustments and regroupings / reclassifications as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note.
- a) Restated statement of Assets and Liabilities to Annexure I
  - b) Restated statement of profit and loss account to Annexure II
  - c) Restated statement of cash flow to Annexure III
  - d) Restated statement of change in equity to Annexure IV
  - e) Restated Statement of Accounting policy to Annexure V
  - f) Statement of restated adjustment Annexure VI
  - g) Restated statement of Property, Plant & Equipment's to Annexure VII
  - h) Restated statement of notes to accounts to Annexure VIII
  - i) Restated statements of accounting Ratio to Annexure IX
10. This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the management for inclusion in the addendum and Issue Documents to be filed with SEBI, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Gujarat in connection with the proposed IPO of the Company. Our report should not to be used, referred to or distributed for any other purpose except with our prior consent in writing.

For KARMA & Co. LLP  
Chartered Accountant  
FRN: 127544W/W100376

Jignesh A Dhaduk  
(Designated Partner)  
MRN: 129149  
UDIN: 22129149BCTFOC7349  
Place: Ahmedabad  
Date: 10/11/2022

■ Head Off. : 503, 5th Floor, "PATRON", Opp. Kensville Golf Academy, Rajpath Club to S P Ring Road,  
Bodakdev, Ahmedabad - 380054 LLPIN : AAO-7574  
Tel : 079 40394154 E-mail : ahd.office@karmallp.in

Particulars	Note	As at July 31, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
(a) Property, plant and Equipment	2	384.96	389.34	386.72	216.93
(b) Capital Work in Progress	2	283.25	176.52	11.40	23.17
(c) Intangible Asset	2	11.47	11.24	4.21	1.21
(d) Intangible assets under development	2	9.98	7.48	-	-
(e) Financial assets					
(i) Investments	3	4.89	4.89	-	-
(ii) Others Financial Assets	6	5.61	10.36	10.34	9.95
(f) Deferred tax assets (net)	14	2.97	2.30	-	2.03
(g) Other non-current assets	7	27.19	55.39	45.70	55.74
<b>TOTAL NON-CURRENT ASSETS</b>		<b>730.32</b>	<b>657.51</b>	<b>458.38</b>	<b>309.03</b>
<b>CURRENT ASSETS</b>					
(a) Inventories	8	810.76	628.78	435.75	276.11
(b) Financial assets					
(i) Investments		-	-	-	-
(ii) Trade receivables	4	1,455.30	859.82	361.82	333.29
(iii) Cash and cash equivalents	9	9.45	9.52	9.53	2.99
(v) Loans	5	0.76	0.76	0.71	0.45
(v) Others Financial Assets	6	-	1.05	0.71	0.57
(c) Other Current Assets	7	51.04	38.01	21.80	3.37
<b>TOTAL CURRENT ASSETS</b>		<b>2,327.31</b>	<b>1,537.95</b>	<b>830.33</b>	<b>616.80</b>
Assets held for Sale					
<b>TOTAL ASSETS</b>		<b>3,057.64</b>	<b>2,195.45</b>	<b>1,288.70</b>	<b>925.83</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
(a) Equity share capital	10	246.83	246.83	164.56	164.56
(b) Other equity	11	785.73	602.35	398.89	189.73
<b>TOTAL EQUITY</b>		<b>1,032.56</b>	<b>849.18</b>	<b>563.44</b>	<b>354.29</b>
<b>LIABILITIES</b>					
<b>NON-CURRENT LIABILITIES</b>					
(a) Financial liabilities					
(i) Borrowings	12	364.52	253.16	152.45	51.23
(ii) Lease Liability		-	-	-	-
(b) Provisions	13	4.76	4.08	3.34	1.88
(c) Deferred tax liabilities (net)	14	-	-	0.23	-
(d) Other non-current liabilities	15	29.36	22.41	16.95	12.31
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>398.64</b>	<b>279.65</b>	<b>172.97</b>	<b>65.41</b>
<b>CURRENT LIABILITIES</b>					
(a) Financial liabilities					
(i) Borrowings	16	151.09	116.12	116.78	150.54
ii) Lease Liability					
(iii) Trade payables					
- total outstanding dues of Micro and Small Enterprise	17	-	-	-	-
- total outstanding dues of other than Micro and Small Enterprise	17	1,410.74	913.70	391.27	332.04
(iv) Other financial liabilities	18	0.91	0.67	0.49	0.05
(b) Other current liabilities	19	14.18	31.58	40.91	20.90
(c) Provisions	13	0.36	0.20	0.12	0.01
(d) Current tax liabilities (net)	20	49.16	4.35	2.72	2.59
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,626.44</b>	<b>1,066.62</b>	<b>552.29</b>	<b>506.13</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,057.64</b>	<b>2,195.45</b>	<b>1,288.70</b>	<b>925.83</b>

**Note :**

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, Statement of Adjustments to the Restated Ind AS Financial Information appearing in Annexure VI and Notes to the Restated Ind AS Financial Information appearing in Annexure VIII

For KARMA & Co LLP  
Chartered Accountants  
FRN.: 127544W/W100376

For and on behalf of the Board of Directors  
DHARMAJ CROP GUARD LIMITED  
CIN : U24100GJ2015PLC081941

CA Jignesh A Dhaduk  
Partner  
M.No. 129149  
UDIN : 22129149BCTFOC7349  
Place: Ahmedabad  
Dated: 10/11/2022

Rameshbhai Ravajibhai Talavia  
Chairman & Managing Director  
(DIN – 01619743)

Jamanbhai Hansarajbhai Talavia  
Director  
(DIN – 01525356)

Vishal Domadia  
Chief Financial Officer

Malvika Bhadreshbhai Kapasi  
Company Secretary  
A52602

## Annexure II : Restated Statement of Profit and Loss account

(Amount in INR Millions)

Particulars	Note	April 2022 - July 2022 [4 Months]	Fiscal 2022 [12 Months]	Fiscal 2021 [12 Months]	Fiscal 2020 [12 Months]
<b>INCOME</b>					
Revenue from Operations	21	2,209.40	3,942.08	3,024.10	1,982.22
Other Income	22	2.32	20.80	11.55	9.43
<b>Total Income</b>		<b>2,211.72</b>	<b>3,962.88</b>	<b>3,035.65</b>	<b>1,991.65</b>
<b>EXPENSES</b>					
Cost of material consumed	23	1,954.25	3,206.69	2,405.00	1,566.53
Purchases of stock-in-trade		-	5.53	9.08	3.34
Changes in inventories of finished goods, work-in progress and stock-in-trade	24	(173.75)	(126.11)	(84.98)	(56.42)
Manufacturing & Operating Costs	25	19.09	56.65	64.95	40.22
Employee benefits expense	26	56.82	136.60	120.07	82.04
Finance Costs	27	9.30	26.15	14.19	22.37
Depreciation & amortization	28	16.03	52.71	26.01	21.76
Other expenses	29	84.26	219.34	199.40	167.20
<b>Total Expenses</b>		<b>1,966.01</b>	<b>3,577.57</b>	<b>2,753.73</b>	<b>1,847.03</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>245.71</b>	<b>385.31</b>	<b>281.93</b>	<b>144.62</b>
Exceptional items Income / (Expense)		-	-	-	-
<b>Profit / (Loss) before tax</b>		<b>245.71</b>	<b>385.31</b>	<b>281.93</b>	<b>144.62</b>
<b>Tax expenses</b>	30				
Current Tax		62.72	101.09	69.95	37.78
Adjustment of Tax Relating to Earlier Years		-	0.01	(0.03)	0.00
Deferred Tax Liability / (asset)		(0.60)	(2.69)	2.41	(0.75)
<b>Total tax expenses</b>		<b>62.12</b>	<b>98.41</b>	<b>72.32</b>	<b>37.03</b>
<b>Profit after tax for the period</b>		<b>183.59</b>	<b>286.90</b>	<b>209.60</b>	<b>107.59</b>
<b>Other Comprehensive Income</b>					
Items that will not be reclassified to profit or loss ( Net of tax)		(0.21)	0.49	(0.45)	(0.25)
<b>Total Comprehensive Income / (Loss) For The Period</b>		<b>183.38</b>	<b>287.39</b>	<b>209.15</b>	<b>107.34</b>
<b>Earnings per equity share ( FV- Rs 10/share)</b>					
Basic (Rs.)	31	7.44	11.62	12.74	8.62
Diluted (Rs.)	31	7.44	11.62	12.74	8.62

**Note :**

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, Statement of Adjustments to the Restated Ind AS Financial Information appearing in Annexure VI and Notes to the Restated Ind AS Financial Information appearing in Annexure VIII

**For KARMA & Co LLP**

Chartered Accountants  
FRN.: 127544W/W100376

CA Jignesh A Dhaduk  
Partner  
M.No. 129149  
UDIN : 22129149BCTFOC7349  
Place: Ahmedabad  
Dated: 10/11/2022

**For and on behalf of the Board of Directors**

**DHARMAJ CROP GUARD LIMITED**  
CIN : U24100GJ2015PLC081941

**Rameshbhai Ravajibhai Talavia**  
Chairman & Managing Director  
(DIN – 01619743)

**Vishal Domadia**  
Chief Financial Officer

**Jamanbhai Hansarajbhai Talavia**  
Director  
(DIN – 01525356)

**Malvika Bhadreshbhai Kapasi**  
Company Secretary  
A52602

## Annexure III : Restated Statement of Cash Flow

(Amount in INR Millions)

Particulars	April 2022 -July 2022 [4 Months]	Fiscal 2022 [12 Months]	Fiscal 2021 [12 Months]	Fiscal 2020 [12 Months]
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit Before Tax and Extraordinary Items</b>	<b>245.71</b>	<b>385.31</b>	<b>281.93</b>	<b>144.62</b>
Adjustments for :				
Depreciation	16.03	52.71	26.01	21.76
(Profit) / Loss on Sale of Assets	-	(1.18)	(5.61)	-
Interest Expenses	6.79	23.87	12.45	19.40
Bad Debts	-	-	0.22	2.25
Loss on Remeasurement of Employee Benefits	(0.29)	0.66	(0.60)	(0.33)
Sundry Balances Written Back	22.53	76.06	-	-
<b>Operating Profit Before Working Capital Changes</b>	<b>268.24</b>	<b>461.37</b>	<b>314.40</b>	<b>187.69</b>
Trade and Other Receivables	(594.43)	(498.42)	(33.64)	(166.67)
Inventories	(181.98)	(193.03)	(159.64)	(123.61)
Trade Payables and Provision	497.88	523.25	60.80	204.09
Other Non Financial Assets	15.16	(25.89)	(8.39)	(41.10)
Other financial liabilities	0.24	0.18	0.44	(0.49)
Other non-financial liabilities	(10.44)	(3.87)	24.66	(2.71)
<b>CASH GENERATED FROM THE OPERATIONS</b>	<b>(5.33)</b>	<b>263.58</b>	<b>198.62</b>	<b>57.19</b>
Direct Taxes Paid	(17.92)	(99.47)	(69.78)	(36.74)
<b>Net Cash from Operating Activities</b>	<b>(23.25)</b>	<b>164.11</b>	<b>128.83</b>	<b>20.45</b>
<b>B CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Purchase of Fixed Assets	(121.12)	(236.52)	(191.53)	(146.47)
Proceeds from Govt. Grant	-	-	-	-
Sale of Fixed Assets	-	2.76	10.11	-
Movement in Other Bank Balance- Fixed Deposits	4.75	-	4.12	-
Investment in Company	-	(4.89)	-	-
Interest Received	-	-	-	-
<b>Net Cash from Investment Activities</b>	<b>(116.37)</b>	<b>(238.65)</b>	<b>(177.31)</b>	<b>(146.47)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Issue of Shares	-	-	-	141.70
Dividend Paid	-	(1.65)	-	-
Interest paid	-4.67	(19.06)	(10.02)	(9.80)
Addition Long term Borrowing	125.84	144.38	152.18	60.16
Repayment of Long term Borrowings	-14.40	(54.47)	(22.10)	(185.31)
Addition to Short Term Liability	32.77	135.52	177.06	113.88
Repayment of Short term Borrowings	-	(130.20)	(242.10)	-
<b>Net Cash from Financing Activities</b>	<b>139.54</b>	<b>74.53</b>	<b>55.01</b>	<b>120.62</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(0.07)</b>	<b>(0.01)</b>	<b>6.54</b>	<b>(5.39)</b>
Opening Balance	<b>9.52</b>	<b>9.53</b>	<b>2.99</b>	<b>8.38</b>
Closing Balance	<b>9.45</b>	<b>9.52</b>	<b>9.53</b>	<b>2.99</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(0.07)</b>	<b>(0.01)</b>	<b>6.54</b>	<b>(5.39)</b>

Note: Figure in brackets denote outflows

**Note :**

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, Statement of Adjustments to the Restated Ind AS Financial Information appearing in Annexure VI and Notes to the Restated Ind AS Financial Information appearing in Annexure VIII

**For KARMA & Co LLP**  
Chartered Accountants  
FRN.: 127544W/W100376

**For and on behalf of the Board of Directors**  
**DHARMAJ CROP GUARD LIMITED**  
CIN : U24100GJ2015PLC081941

**CA Jignesh A Dhaduk**  
Partner  
M.No. 129149  
UDIN : 22129149BCTFOC7349  
Place: Ahmedabad  
Dated: 10/11/2022

**Rameshbhai Ravajibhai Talavia**  
Chairman & Managing Director  
DIN – 01619743

**Jamanbhai Hansarajbhai Talavia**  
Director  
DIN – 01525356

**Vishal Domadia**  
Chief Financial Officer

**Malvika Bhadreshbhai Kapasi**  
Company Secretary  
A52602



**A Equity Share Capital**

Particulars	As at 31st Jul 2022		Fiscal 2022		Fiscal 2021		Fiscal 2020	
	Number of Shares	Amount in Rs.	Number of Shares	Amount in Rs.	Number of Shares	Amount in Rs.	Number of Shares	Amount in Rs.
<i>Equity shares of INR 10 each issued, subscribed and fully paid</i>								
Balance at beginning of the Period	2,46,83,372	246.83	1,64,55,581	164.56	1,64,55,581	164.56	20,00,000	20.00
<b>Changes in Equity Capital</b>								
Add: Bonus Issue of Shares			82,27,791	82.28	-	-	80,00,000	80.00
Add: Rights Issue of Shares			-	-	-	-	64,55,581	64.56
<b>Balance at the end of period</b>	<b>2,46,83,372</b>	<b>246.83</b>	<b>2,46,83,372</b>	<b>246.83</b>	<b>1,64,55,581</b>	<b>164.56</b>	<b>1,64,55,581</b>	<b>164.56</b>

**B Other Equity**

Particulars	Retained Earnings	Security Premium	Total
<b>As at 1 April, 2019</b>	<b>75.50</b>	<b>9.75</b>	<b>85.25</b>
Restated Profit for the year	107.59	-	107.59
Restated Other comprehensive Income			
Re-measurement of net defined benefit plans	(0.33)	-	(0.33)
- Deferred Tax on above	0.08	-	0.08
<b>Restated Total Other comprehensive Income</b>	<b>107.34</b>	<b>-</b>	<b>107.34</b>
Utilisation for Bonus of Shares	(70.25)	(9.75)	(80.00)
Rights Issue of Shares		77.14	77.14
<b>As at March 31, 2020</b>	<b>112.59</b>	<b>77.14</b>	<b>189.73</b>
Restated Profit for the year	209.60	-	209.60
Restated Other comprehensive Income			
Re-measurement of net defined benefit plans	(0.60)	-	(0.60)
- Deferred Tax on above	0.15	-	0.15
<b>Restated Total Other comprehensive Income</b>	<b>209.15</b>	<b>-</b>	<b>209.15</b>
<b>As at March 31, 2021</b>	<b>321.74</b>	<b>77.14</b>	<b>398.89</b>
Profit for the year	286.90	-	286.90
Restated Other comprehensive Income			
Re-measurement of net defined benefit plans	0.66	-	0.66
- Deferred Tax on above	(0.17)	-	(0.17)
<b>Restated Total Other comprehensive Income</b>	<b>287.39</b>	<b>-</b>	<b>287.39</b>
Dividend Paid	(1.65)	-	(1.65)
Utilisation for Bonus of Shares	(5.13)	(77.14)	(82.28)
<b>As at March 31, 2022</b>	<b>602.35</b>	<b>-</b>	<b>602.35</b>
Profit for the year	183.59	-	183.59
Restated Other comprehensive Income			
Re-measurement of net defined benefit plans	(0.29)	-	(0.29)
- Deferred Tax on above	0.07	-	0.07
<b>Restated Total Other comprehensive Income</b>	<b>183.38</b>	<b>-</b>	<b>183.38</b>
Dividend Paid		-	-
Utilisation for Bonus of Shares		-	-
<b>As at March 31, 2022</b>	<b>785.73</b>	<b>-</b>	<b>785.73</b>

**Note :**

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, Statement of Adjustments to the Restated Ind AS Financial Information appearing in Annexure VI and Notes to the Restated Ind AS Financial Information appearing in Annexure VIII

**For KARMA & Co LLP**

Chartered Accountants  
FRN.: 127544W/W100376

**CA Jignesh A Dhaduk**

Partner  
M.No. 129149  
UDIN : 22129149BCTFOC7349  
Place: Ahmedabad  
Dated: 10/11/2022

For and on behalf of the Board of Directors  
DHARMAJ CROP GUARD LIMITED  
CIN : U24100GJ2015PLC081941

Rameshbhai Ravajibhai Talavia  
Chairman & Managing Director  
DIN – 01619743

Jamanbhai Hansarajbhai Talavia  
Director  
DIN – 01525356

Vishal Domadia  
Chief Financial Officer  
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Malvika Bhadreshbhai Kapasi  
Company Secretary  
A52602

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS**

**1 CORPORATE INFORMATION**

DHARMAJ CROP GUARD LIMITED was incorporated on January 19, 2015. The Company is engaged in the business of manufacturing and dealing in pesticides including concessionaires of public health products for pest control, insecticides, herbicide, fertilizers and allied products related to research and technical formulations.

**2 BASIS OF PREPARATION**

The financial statement of the Company comprises the statement of assets and liabilities as at July 31, 2022, the statement of profit and loss (including other comprehensive income), the Statement of Changes in Equity, the Cash Flow Statement for the year ended July 31, 2022, the Summary Statement of Significant Accounting Policies, and other explanatory information Collectively, the "Financial Statement".

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013. read with (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the said roadmap, the Company is required to apply Ind AS starting from financial year beginning on or after 1st April, 2016. Accordingly, the financial statements of the Company have been prepared in accordance with the Ind AS.

These financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values which are disclosed in the Financial Statements, the provisions of the Companies Act, 2013 ('Act') (to the extent notified).

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

Accounting policies have been consistently applied except whereas newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupees ('INR'), except otherwise indicated.

**3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTION**

The preparation of financial statements requires management's judgments, estimates and assumptions that impacts the reported amounts of revenues, expenses, assets and liabilities, and the accompanying notes thereon. Uncertainty about these assumptions and estimates could result in outcomes that might require a material adjustment to the carrying amount of assets or liabilities in future periods.

**Estimates**

The preparation of the financial statements in conformity with Ind-AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

**Judgements**

**1) Useful lives of property, plant and equipment**

The company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**2) Impairment of property, plant and equipment**

For property, plant and equipment and intangibles an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's recoverable or previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

**3) Impairment of investment**

For determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have estimated the future cash flow, capacity utilization, operating margins and other factors of the underlying businesses / operations of the investee companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

**4) Inventories**

The Company estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.

**5) Recognition and measurement of other Provisions**

The recognition and measurement of other provisions is based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

#### 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A) Revenue Recognition:

###### a) Revenue from Operations :

Effective April 1, 2018, the company has applied Ind-AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind-AS 115 replaces Ind-AS 18. The company has adopted Ind-AS 115 using the cumulative catch up transition method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind-AS 18. Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind-AS 18. The adoption of Ind-AS 115 does not have significant effect on the financial results

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is recognized at point in time when the performance obligation with respect to Sale of products or rendering of services to the Customer which is the point in time when the customer receives the goods and services.

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates, sales return on transfer of control in respect of ownership to the buyer which is generally on dispatch of goods and any other taxes or duties collected on behalf of the Government which are levied on sales such as Goods and Services Tax (GST). Discounts given include rebates, price reductions and other incentives given to customers. No element of financing is deemed present as the sales are made with a payment term which is consistent with market practice.

Revenue from services is recognised when all relevant activities are completed and the right to receive income is established. This is applicable in case of Job Work services given by the Company to the Customers.

The Company disaggregates revenue from sale of goods or rendering of services with customers by product classification, geographical region and Customer Category.

###### Use of significant judgements in revenue recognition:

The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, price concessions. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct service promised in the contract.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

###### b) Interest Income:

Interest income including income arising on other instruments are recognised on time proportion basis using the effective interest rate method.

###### c) Dividend Income:

Dividend income is accounted when the right to receive the same is established, which is generally when shareholders approve the dividend.

##### B) Export Benefits:

The benefit accrued under the Duty Drawback, Merchandise Export Incentive Scheme and other schemes as per the Import and Export Policy in respect of exports made under the said schemes is included as 'Export Incentives' under the head 'Other operating revenue'.

##### C) Property Plant and Equipment, Investment Property and Depreciation / Amortisation:

- a) Items of Property, plant and equipment including Capital-work in-progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any cost attributable of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

- b) Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the month of such addition, or up to the month of such sale/disposal, as the case may be.

Assets Category	Estimated useful life (in Years)
Plant & Machinery	15
Servers and networks	6
Computer desktops and laptops	3
Office Equipment	5
Electrical Installation	15
Factory Building	30
Non-Factory Building	30
Vehicles	8
Furniture and fixtures	10
Leasehold Land	Over Primary Lease period

The residual values, useful lives and methods of depreciation of property plant equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

**c) Leased assets**

Leasehold lands are amortized over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

In other cases, buildings constructed on leasehold lands are amortized over the primary lease period of the lands.

**d) Intangible assets**

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed finite. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible Assets without finite life are tested for impairment at each Balance Sheet date and Impairment provision, if any are debited to profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**D) Impairment of Non-financial Assets**

On annual basis the Company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is higher of an asset's fair value or selling price.

An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**E) Cashflow Statements**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**F) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts, if any as they are considered an integral part of the Company's cash management.

**G) Inventories**

All inventories are stated at lower of 'Cost or Net Realizable Value'.

- a) Stores and spares, packing materials and raw materials are valued at lower of cost or net realisable value and for this purpose, cost is determined on First in First Out (FIFO) basis. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.
- b) Finished products and Work in Progress are valued at lower of cost or net realisable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Cost of finished goods and work in progress includes direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.
- c) Traded goods are valued at lower of cost and net realizable value. Cost is determined on a FIFO basis.
- d) Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**H) Foreign currency transactions**

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that gave rise to the translation difference.

**I) Segment reporting**

Based on " Management Approach "as defined in Ind AS 108 - Operating Segments the chief operating decision maker regularly monitors and reviews the operating results of the whole company as one segment of "pesticides, insecticides, herbicide and fertilizers." Thus, as defined in Ind AS 108, the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss. The analysis of geographical segments is based on the areas in which customers of the company are located.

**J) Equity investment**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments, which are held for trading, are classified as at fair value through profit and loss ("FVTPL"). Investment that are readily realisable and intended to be held for not more than a year are classified as current investment. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at fair value through other comprehensive income ("FVTOCI"), then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**K) Government Grant**

Government grants 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 attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to the Statement of Profit and Loss in a systematic basis over the expected life of the related assets and presented within other income.

Government grants relating to the purchase of land is reduced from the cost of assets.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

**L) Borrowing Cost**

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

Other borrowing costs are recognized as expenses in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

In determining the amount of borrowing costs eligible for capitalization during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

## **M) Taxes on income**

### **Current Taxes**

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals if any.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### **Deferred tax**

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability settled, based on the tax rates (tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of major components of deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

### **Minimum Alternate Tax (MAT)**

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Company will pay normal income tax during the specified period. Deferred tax assets on such tax credit are recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

## **N) Provisions, Contingent Liabilities and Contingent Assets**

### **Provisions**

The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

### **Contingent liabilities and Contingent Assets**

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, is disclosed as a contingent liability. Contingent liabilities are also 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.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

## **O) Earning Per Share**

Basic earnings per share are 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. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, if any. 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 are adjusted for the effects of all dilutive potential equity shares.

**P) Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis.

**Q) Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period,

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Deferred tax assets/liabilities are classified as non-current.

All other liabilities are classified as non-current.

**R) Fair value measurement**

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## S) Financial instruments

### a. Financial assets:

#### Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

#### Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments other than investment on subsidiary, joint venture and associates are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### Investment in associates, joint venture and subsidiaries

The Company has accounted for its investment in subsidiaries and associates, joint venture at cost.

#### Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the Financial assets measured at amortized cost

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.



The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**b. Financial liabilities:**

**Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

**Subsequent measurement**

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 upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. 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.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

**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.

**c. Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

**d. Derivative financial instruments:**

The Company enters into derivative contracts to hedge foreign currency price risk on unexecuted firm commitments and highly probable forecast transactions. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

**T) Employee Benefits**

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex gratia are recognized during the period in which the employee renders related service.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period on projected Unit Credit Method.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the Statement of Profit and Loss in the period of plan amendment.

The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the Statement of Profit and Loss:

- i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- ii) Net interest expense or income.

Termination benefits are payable as a result of the company's decision to terminate employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognizes these benefits when it has demonstrably undertaken to terminate current employees' employment in accordance with a formal detailed plan that cannot be withdrawn or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits that will not be paid within 12 months of the balance sheet date are discounted to their present value. Termination benefits are recognized as an expense in the period in which they are incurred.

**Annexure VI: Statement of Reconciliation to Restated Standalone Financial Statements**
**A) Reconciliation between previous GAAP and Ind AS**
**AS Ind AS 101 requires an entity to reconcile equity for prior periods.**
**The following tables represent the reconciliations from previous GAAP to Ind AS restated figures.**
**(Amount in INR Millions)**

Particular	Note	As at			
		July 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Other Equity (Shareholder's fund) as per previous GAAP</b>				400.58	189.98
Provision for Gratuity	1			(0.98)	(0.65)
Deffered Tax Adjustment	2			0.01	0.19
Earlier year Ind AS Adjustment	3			(0.25)	(0.66)
Capitalization of expenses	4			-	1.12
Re-measurement of net defined benefit plans & tax	5			(0.44)	(0.25)
Depreciation Adjustment	6			(0.04)	-
<b>Total equity as per Ind AS</b>		-	-	398.88	189.73

**Notes:**

1. Under the Previous GAAP, Provision for Gratuity is not provide in previous financial statement. Under Ind AS management has decided to provide the gratuity benefit to its employee. The resulting gratuity provision based on actuarial valuation report has been recognised in the retained earning as at the date of transaction and subsequently in the profit and loss.

2.The company on restatement has accurately re-computed deferred tax liability (net) taking into consideration the income tax rates prevailing in the respective years for temporary differences between depreciation and amortization on fixed assets under income tax law and depreciation and amortization provided in the books of accounts and between gratuity expenses allowable as per income tax and as per the books of account for ascertaining deferred tax liability, which has been restated to the year to which it pertains.

3. On restatement of financial statement as per Ind AS, cumulative effect of previous year (2019 onwards) on account of retained earning has been given in reconciliation statement in order to match balance of other equity as per IND AS.

4.Under previous GAAP Company has charge loan porcessing fees to profit and loss account, under Ind AS management has decide to capitalize such expenses in accordance with the Ind AS-23 Borrowing cost

5. Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were not provided.

6. Under Ind AS the company has capitalize the loan processing fees, on capitalization of such expenses the company has provided the depreciation on such amount in FY 20-21 onwards.

**B) Reconciliations between previous GAAP and Ind AS under Long Term Provision. The following tables represent the reconciliations from previous GAAP to Ind AS restated figures.**

Particular	Note	As at			
		July 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Provision (Long Term) as per previous GAAP</b>			-	-	-
Provision for Gratuity	1		-	3.34	1.88
<b>Long Term Provision as per Ind AS</b>		-	-	3.34	1.88

1. Under the Previous GAAP, Provision for Gratuity was not provide in financial statement. Under Ind AS management has decided to provide the gratuity benefit to its employee. The resulting gratuity provision based on actuarial valuation report have been recognised in the retain earning as at the date of transaction and subsequently in the profit and loss.

C) Reconciliations between previous GAAP and Ind AS under Short Term Provision. The following tables represent the reconciliations from previous GAAP to Ind AS restated figures.

Particular	Note	As at			
		July 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Provision (Short Term) as per previous GAAP</b>			-	-	-
Provision for Gratuity	1		-	0.12	0.01
<b>Short Term Provision as per Ind AS</b>		-	-	0.12	0.01

1. Under the Previous GAAP, Provision for Gratuity is not provide in previous financial statement. Under Ind AS management has decided to provide the gratuity benefit to its employee. The resulting gratuity provision based on actuarial valuation report have been recognised in the retain earning as at the date of transaction and subsequently in the profit and loss.

D) Reconciliations between previous GAAP and Ind AS under PPE. The following tables represent the reconciliations from previous GAAP to Ind AS restated figures.

Particular	Note	As at			
		July 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>PPE as per previous GAAP</b>			-	385.64	216.93
Capitalization of loan processing fees	1		-	1.08	0.00
<b>PPE as per Ind AS</b>		-	-	386.72	216.93

1. under the previous GAAP the company has charge loan processing fees to profit and loss account, under Ind AS the company has capitalized such expenses in the FY 19-20 under the Capital work in progress and in FY 20-21 such assets was put to use and transfer from Capital work in progress to PPE

E) Reconciliations between previous GAAP and Ind AS under Capital Work In Progress. The following tables represent the reconciliations from previous GAAP to Ind AS restated figures.

Particular	Note	As at			
		July 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>PPE as per previous GAAP</b>		-	-	11.40	22.05
Capitalization of loan processing fees	1	-	-	-	1.12
<b>PPE as per Ind AS</b>		-	-	11.40	23.17

1. under the previous GAAP the company has charged loan processing fees to profit and loss account, under Ind AS the company has capitalized such expenses in the FY 19-20 under the Capital work in progress and in FY 20-21 such assets was put to use and transfer from Capital work in progress to PPE

F) Adjusted EPS as per Ind AS after considering the effect of bonus share issue on 27th November, 2021

Particular	Note	As at			
		July 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Restated profit</b>		183.59	286.90	209.60	107.59
Weighted Avg no of Share for Basic EPS	1	2,46,83,372	2,46,83,372	2,46,83,372	1,87,13,992
Weighted Avg no of Share for Diluted EPS	1	2,46,83,372	2,46,83,372	2,46,83,372	1,87,13,992
<b>Adjusted Basic EPS</b>		7.44	11.62	8.49	5.75
<b>Adjusted Diluted EPS</b>		7.44	11.62	8.49	5.75

1. The Company has issued bonus shares out of its accumulated reserve and surplus to its existing share holders as on 11.05.2019 (Record Date) in the ratio of 3:2, as on 13.07.2019 (Record Date), in the ratio of 1:1 as on 18/11/2021 (Record Date) in the ratio of 1:2

On account of these the Weighted average number of outstanding share are 2,46,83,372 as on July 31, 2022, March 31, 2022, March 31, 2021 and 1,87,13,992 as on March 31, 2020.

## Annexure VII : Statement of Restated Property, Plant &amp; Equipment &amp; Capital work in progress

## 2 Detailed Asset Class Wise Addition, Adjustment, Depreciation, Changes in Net Block

(Amount in INR Millions)

## A Property, Plant and Equipment

Particulars	Leasehold land	Office Building	Factory Building	Plant & Machinery	Motor Vehicles	Office Equipments	Computer	Furniture And Fixtures	Total
<b>GROSS BLOCK</b>									
As at April 1, 2019	12.76	5.50	31.84	91.87	15.17	3.04	5.57	2.62	168.36
Additions	85.87	-	11.99	21.19	1.69	0.38	1.31	0.39	122.83
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
Asset Held for sale	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>98.63</b>	<b>5.50</b>	<b>43.83</b>	<b>113.06</b>	<b>16.86</b>	<b>3.43</b>	<b>6.88</b>	<b>3.00</b>	<b>291.19</b>
Additions during the year	4.03	28.86	70.44	65.04	14.44	3.99	2.65	10.47	199.92
Disposals/Adjustments	-	5.50	-	-	2.10	0.38	-	0.64	8.62
Asset Held for sale	-	-	-	-	-	-	-	-	-
<b>As at 31 March, 2021</b>	<b>102.66</b>	<b>28.86</b>	<b>114.27</b>	<b>178.10</b>	<b>29.20</b>	<b>7.04</b>	<b>9.53</b>	<b>12.83</b>	<b>482.49</b>
Additions during the year	3.79	0.12	6.74	26.46	13.05	1.34	1.55	3.28	56.32
Disposals/Adjustments	-	-	-	1.03	5.27	-	-	-	6.30
Asset Held for sale	-	-	-	-	-	-	-	-	-
<b>As at 31 March, 2022</b>	<b>106.45</b>	<b>28.98</b>	<b>121.01</b>	<b>203.54</b>	<b>36.98</b>	<b>8.38</b>	<b>11.07</b>	<b>16.11</b>	<b>532.52</b>
Additions during the year	-	-	-	4.71	5.80	0.19	0.78	-	11.47
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
Asset Held for sale	-	-	-	-	-	-	-	-	-
<b>As at 31 July, 2022</b>	<b>106.45</b>	<b>28.98</b>	<b>121.01</b>	<b>208.24</b>	<b>42.78</b>	<b>8.57</b>	<b>11.85</b>	<b>16.11</b>	<b>543.99</b>
<b>DEPRECIATION</b>									
As at April 1, 2019	-	1.49	6.80	30.53	7.39	1.95	3.94	0.73	52.83
Charge for the Year	-	0.38	2.69	13.21	2.62	0.57	1.43	0.54	21.44
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
Asset Held for sale	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>-</b>	<b>1.87</b>	<b>9.49</b>	<b>43.74</b>	<b>10.01</b>	<b>2.52</b>	<b>5.37</b>	<b>1.26</b>	<b>74.26</b>
Charge for the Year	-	0.57	3.87	14.36	3.44	0.88	1.57	0.93	25.63
Disposals/Adjustments	-	1.87	-	-	1.46	0.34	-	0.45	4.12
Asset Held for sale	-	-	-	-	-	-	-	-	-
<b>As at 31 March, 2021</b>	<b>-</b>	<b>0.57</b>	<b>13.36</b>	<b>58.10</b>	<b>11.99</b>	<b>3.06</b>	<b>6.94</b>	<b>1.74</b>	<b>95.77</b>
Charge for the Year	-	2.69	9.78	24.45	7.48	2.21	2.04	3.47	52.13
Disposals/Adjustments	-	-	-	0.45	4.27	-	-	-	4.72
Asset Held for sale	-	-	-	-	-	-	-	-	-
<b>As at 31 March, 2022</b>	<b>-</b>	<b>3.26</b>	<b>23.14</b>	<b>82.10</b>	<b>15.21</b>	<b>5.27</b>	<b>8.98</b>	<b>5.21</b>	<b>143.18</b>
Charge for the Year	-	0.82	3.11	7.48	2.55	0.47	0.47	0.94	15.84
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
Asset Held for sale	-	-	-	-	-	-	-	-	-
<b>As at 31 July, 2022</b>	<b>-</b>	<b>4.08</b>	<b>26.25</b>	<b>89.58</b>	<b>17.76</b>	<b>5.74</b>	<b>9.45</b>	<b>6.16</b>	<b>159.02</b>
<b>NET BLOCK</b>									
<b>As at 31 March, 2020</b>	<b>98.63</b>	<b>3.63</b>	<b>34.34</b>	<b>69.32</b>	<b>6.86</b>	<b>0.90</b>	<b>1.51</b>	<b>1.74</b>	<b>216.93</b>
<b>As at 31 March, 2021</b>	<b>102.66</b>	<b>28.29</b>	<b>100.92</b>	<b>120.00</b>	<b>17.21</b>	<b>3.97</b>	<b>2.58</b>	<b>11.09</b>	<b>386.72</b>
<b>As at 31 March, 2022</b>	<b>106.45</b>	<b>25.71</b>	<b>97.87</b>	<b>121.43</b>	<b>21.77</b>	<b>3.11</b>	<b>2.09</b>	<b>10.90</b>	<b>389.34</b>
<b>As at 31 July, 2022</b>	<b>106.45</b>	<b>24.90</b>	<b>94.77</b>	<b>118.67</b>	<b>25.02</b>	<b>2.82</b>	<b>2.40</b>	<b>9.95</b>	<b>384.96</b>

**B(i) Capital Work in Progress**

Particular	As at July 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Opening	176.52	11.40	23.17	-
Addition during the year	107.86	165.11	9.18	23.17
Transfer to PPE	1.13	-	20.95	
<b>Closing</b>	<b>283.25</b>	<b>176.52</b>	<b>11.40</b>	<b>23.17</b>

**B(ii) Capital work-in-progress ageing schedule**

**Capital work-in-progress as at July 31, 2022**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	107.86	163.98	9.18	2.23	283.25

**Capital work-in-progress as at March 31, 2022**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	165.11	9.18	2.23	-	176.52

**Capital work-in-progress as at March 31, 2021**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	9.18	2.23	-	-	11.40

**Capital work-in-progress as at March 31, 2020**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	23.17	-	-	-	23.17

**C Intangible Assets**

Particulars	Licence	Licence - Sayakha	Software	Trademark	Website	Total
<b>GROSS BLOCK</b>						
As at April 1, 2019	0.95	-	0.40	0.65	0.07	2.08
Additions	0.39	-	-	0.08	-	0.46
Disposals/Adjustments	-	-	-	-	-	-
<b>As at 31 March, 2020</b>	<b>1.34</b>	<b>-</b>	<b>0.40</b>	<b>0.73</b>	<b>0.07</b>	<b>2.54</b>
Additions during the year	0.56	2.53	0.03	0.26	-	3.38
Disposals/Adjustments	-	-	-	-	-	-
<b>As at 31 March, 2021</b>	<b>1.90</b>	<b>2.53</b>	<b>0.44</b>	<b>0.99</b>	<b>0.07</b>	<b>5.93</b>
Additions during the year	0.86	6.58	0.06	0.11	-	7.61
Disposals/Adjustments	-	-	-	-	-	-
<b>As at 31 March, 2022</b>	<b>2.76</b>	<b>9.11</b>	<b>0.50</b>	<b>1.11</b>	<b>0.07</b>	<b>13.54</b>
Additions during the year	0.34	-	-	0.07	-	0.42
Disposals/Adjustments	-	-	-	-	-	-
<b>As at 31 July, 2022</b>	<b>3.10</b>	<b>9.11</b>	<b>0.50</b>	<b>1.18</b>	<b>0.07</b>	<b>13.95</b>
<b>AMORTISATION</b>						
As at April 1, 2019	0.38	-	0.24	0.35	0.04	1.01
Charge for the Year	0.18	-	0.04	0.09	0.01	0.32
Disposals/Adjustments	-	-	-	-	-	-
<b>As at 31 March, 2020</b>	<b>0.56</b>	<b>-</b>	<b>0.28</b>	<b>0.44</b>	<b>0.05</b>	<b>1.33</b>
Charge for the Year	0.25	-	0.03	0.10	0.01	0.39
Disposals/Adjustments	-	-	-	-	-	-
<b>As at 31 March, 2021</b>	<b>0.81</b>	<b>-</b>	<b>0.31</b>	<b>0.54</b>	<b>0.05</b>	<b>1.72</b>
Charge for the Year	0.41	-	0.04	0.13	0.00	0.58
Disposals/Adjustments	-	-	-	-	-	-
<b>As at 31 March, 2022</b>	<b>1.22</b>	<b>-</b>	<b>0.36</b>	<b>0.67</b>	<b>0.06</b>	<b>2.30</b>
Charge for the Year	0.13	-	0.01	0.04	0.00	0.19
Disposals/Adjustments	-	-	-	-	-	-
<b>As at 31 July, 2022</b>	<b>1.35</b>	<b>-</b>	<b>0.37</b>	<b>0.71</b>	<b>0.06</b>	<b>2.49</b>
<b>NET BLOCK</b>						
<b>As at 31 March, 2020</b>	<b>0.78</b>	<b>-</b>	<b>0.12</b>	<b>0.30</b>	<b>0.02</b>	<b>1.21</b>
<b>As at 31 March, 2021</b>	<b>1.09</b>	<b>2.53</b>	<b>0.12</b>	<b>0.46</b>	<b>0.02</b>	<b>4.21</b>
<b>As at 31 March, 2022</b>	<b>1.54</b>	<b>9.11</b>	<b>0.14</b>	<b>0.44</b>	<b>0.01</b>	<b>11.24</b>
<b>As at 31 July, 2022</b>	<b>1.75</b>	<b>9.11</b>	<b>0.13</b>	<b>0.47</b>	<b>0.01</b>	<b>11.47</b>

D(i) Intangible assets under development

Particular	As at July 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Opening	7.48	-	-	-
Addition during the year	2.50	7.48		-
Transfer to Intangible assets	-	-		
<b>Closing</b>	<b>9.98</b>	<b>7.48</b>	-	-

D(ii) Intangible assets under development ageing schedule

Capital work-in-progress as at July 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.50	7.48		-	9.98

Capital work-in-progress as at March 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	7.48			-	7.48



## Annexure VIII: Restated statement of notes to account

## B OTHER NOTES

## 3 Investments

(Amount in INR Millions)

Particulars	As at 31st Jul 2022		Fiscal 2022		Fiscal 2021		Fiscal 2020	
	Non Current	Current	Non Current	Current	Non Current	Current	Non Current	Current
<b>Investments in Other companies' Equity Instruments (Unquoted at cost)</b>								
Kheti Point Private Limited [ 2451 equity shares of Rs.10 Face value each]	4.89	-	4.89	-	-	-	-	-
<b>Total</b>	<b>4.89</b>	<b>-</b>	<b>4.89</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Company has invested Rs.48,94,647 in the current year, consisting of 2451 equity shares with a face value of Rs.10 each, where our Promoter and Promoter Group has significant control.

## 4 Financial Assets - Trade Receivables

(Amount in INR Millions)

Particulars	As at 31st Jul 2022		Fiscal 2022		Fiscal 2021		Fiscal 2020	
	Non Current	Current	Non Current	Current	Non Current	Current	Non Current	Current
<b>Trade Receivables :</b>								
Considered good- Unsecured	-	1,455.30	-	859.82	-	361.82	-	333.29
<b>Total</b>	<b>-</b>	<b>1,455.30</b>	<b>-</b>	<b>859.82</b>	<b>-</b>	<b>361.82</b>	<b>-</b>	<b>333.29</b>

## i) Trade Receivable Ageing Schedule

## Trade Receivable Ageing Schedule as at Jul 31, 2022

(Amount in INR Millions)

Particulars	Less than 6 months	6 months to 1 year	1-2 year	2-3 year	More than 3 years	Total
Undisputed trade receivables- considered	1,432.02	6.13	2.09	0.21	0.58	1,441.04
Undisputed trade receivables- doubtful	-	-	-	-	-	-
Disputed trade receivables- considered	1.48	0.03	0.31	8.68	3.78	14.26
Disputed trade receivables- doubtful	-	-	-	-	-	-
<b>Total</b>	<b>1,433.50</b>	<b>6.15</b>	<b>2.40</b>	<b>8.89</b>	<b>4.36</b>	<b>1,455.30</b>

## Trade Receivable Ageing Schedule as at March 31, 2022

Particulars	Less than 6 months	6 months to 1 year	1-2 year	2-3 year	More than 3 years	Total
Undisputed trade receivables- considered	823.66	20.48	0.44	0.35	0.41	845.34
Undisputed trade receivables- doubtful	-	-	-	-	-	-
Disputed trade receivables- considered	1.48	0.03	0.44	9.25	3.28	14.48
Disputed trade receivables- doubtful	-	-	-	-	-	-
<b>Total</b>	<b>825.14</b>	<b>20.51</b>	<b>0.87</b>	<b>9.60</b>	<b>3.69</b>	<b>859.82</b>

## Trade Receivable Ageing Schedule as at March 31, 2021

Particulars	Less than 6 months	6 months to 1 year	1-2 year	2-3 year	More than 3 years	Total
Undisputed trade receivables- considered	342.76	3.17	1.01	0.26	0.02	347.22
Undisputed trade receivables- doubtful	-	-	-	-	-	-
Disputed trade receivables- considered	0.03	1.94	9.31	1.64	1.68	14.59
Disputed trade receivables- doubtful	-	-	-	-	-	-
<b>Total</b>	<b>342.79</b>	<b>5.11</b>	<b>10.32</b>	<b>1.90</b>	<b>1.69</b>	<b>361.82</b>

Trade Receivable Ageing Schedule as at March 31, 2020

Particulars	Less than 6 months	6 months to 1 year	1-2 year	2-3 year	More than 3 years	Total
Undisputed trade receivables- considered	302.73	25.96	0.25	0.16	0.16	329.26
Undisputed trade receivables- doubtful	-	-	-	-	-	-
Disputed trade receivables- considered	-	1.75	1.31	0.48	0.49	4.03
Disputed trade receivables- doubtful	-	-	-	-	-	-
<b>Total</b>	<b>302.73</b>	<b>27.71</b>	<b>1.57</b>	<b>0.64</b>	<b>0.65</b>	<b>333.29</b>

5 Financial Assets: Loans (at amortised cost)

Particulars	(Amount in INR Millions)							
	As at 31st Jul 2022		Fiscal 2022		Fiscal 2021		Fiscal 2020	
	Non Current	Current	Non Current	Current	Non Current	Current	Non Current	Current
<b>Deposits:</b>								
Considered Good	-	0.76	-	0.76	-	0.71	-	0.45
<b>Total</b>	<b>-</b>	<b>0.76</b>	<b>-</b>	<b>0.76</b>	<b>-</b>	<b>0.71</b>	<b>-</b>	<b>0.45</b>

6 Other Financial Assets

Particulars	(Amount in INR Millions)							
	As at 31st Jul 2022		Fiscal 2022		Fiscal 2021		Fiscal 2020	
	Non Current	Current	Non Current	Current	Non Current	Current	Non Current	Current
Interest Accrued	-	-	-	1.05	-	0.71	-	0.57
Security Deposits	5.36	-	5.36	-	5.34	-	0.83	-
Fixed Deposit having maturity of more than 12 months	0.25	-	5.00	-	5.00	-	9.12	-
<b>Total</b>	<b>5.61</b>	<b>-</b>	<b>10.36</b>	<b>1.05</b>	<b>10.34</b>	<b>0.71</b>	<b>9.95</b>	<b>0.57</b>

7 Other Assets

Particulars	(Amount in INR Millions)							
	As at 31st Jul 2022		Fiscal 2022		Fiscal 2021		Fiscal 2020	
	Non Current	Current	Non Current	Current	Non Current	Current	Non Current	Current
Prepaid Expenses	-	6.41	-	3.53	-	2.80	-	1.73
Advance to Creditors	-	33.92	-	24.10	-	-	-	-
Balance with Tax Authority	6.31	5.65	34.35	4.47	43.70	14.16	53.61	1.07
Staff Advances	-	0.33	-	1.19	-	0.11	-	0.58
Others Receivable	20.89	4.73	21.04	4.73	2.00	4.73	2.14	-
<b>Total</b>	<b>27.19</b>	<b>51.04</b>	<b>55.39</b>	<b>38.01</b>	<b>45.70</b>	<b>21.80</b>	<b>55.74</b>	<b>3.37</b>

8 Inventories

Particulars	(Amount in INR Millions)			
	As at 31st Jul 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Raw Material	300.24	292.01	225.09	150.42
Finished Goods	313.04	167.24	88.38	125.69
Work-in-Progress	197.39	169.35	118.35	-
Trading Goods	0.08	0.17	3.94	-
<b>Total</b>	<b>810.76</b>	<b>628.78</b>	<b>435.75</b>	<b>276.11</b>

## 9 Cash and Bank Balance

Particulars	(Amount in INR Millions)							
	As at 31st Jul 2022		Fiscal 2022		Fiscal 2021		Fiscal 2020	
Cash and Cash Equivalent								
Cash on Hand	0.41		0.57		0.32		0.24	
Cash in Foreign Currency	0.16		0.15		0.06		0.09	
Balances with Bank	8.88	9.45	8.80	9.52	9.15	9.53	2.66	2.99
Other Bank Balances								
Balances in Fixed deposit	0.25		5.00		5.00		9.12	
Less Transferred to Other Assets ( Maturity more than 12 months)	0.25	-	5.00	-	5.00	-	9.12	-
<b>Total</b>	<b>9.45</b>	<b>9.45</b>	<b>9.52</b>	<b>9.52</b>	<b>9.53</b>	<b>9.53</b>	<b>2.99</b>	<b>2.99</b>

As at 31, July 2022, Fixed deposit Rs.2,50,000 & As at 31, March 2020, Out of total Fixed deposit Rs.41,20,000 is kept as margin money

## 10 Equity Share Capital

### (a) Authorised, Issued, Subscribed and Fully Paid up :

Particulars	(Amount in INR Millions)							
	As at 31st Jul 2022		Fiscal 2022		Fiscal 2021		Fiscal 2020	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
<b>Authorised Capital :</b>								
Equity Shares of Rs.10/- each	3,50,00,000	350.00	3,50,00,000	350.00	1,65,00,000	165.00	1,65,00,000	165.00
<b>Issued, Subscribed and Fully Paid up Capital :</b>								
<b>Issued Capital</b>								
Equity Shares of Rs.10/- each, fully paid	2,46,83,372	246.83	2,46,83,372	246.83	1,64,55,581	164.56	1,64,55,581	164.56
<b>Subscribed and Fully Paid up Capital</b>								
Equity Shares of Rs.10/- each, fully paid	2,46,83,372	246.83	2,46,83,372	246.83	1,64,55,581	164.56	1,64,55,581	164.56
<b>Total</b>	<b>246.83</b>	<b>246.83</b>	<b>246.83</b>	<b>246.83</b>	<b>164.56</b>	<b>164.56</b>	<b>164.56</b>	<b>164.56</b>

### (b) Reconciliation of Number of Shares Outstanding:

Particulars	(Amount in INR Millions)							
	As at 31st Jul 2022		Fiscal 2022		Fiscal 2021		Fiscal 2020	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
As at the beginning of the year	2,46,83,372	246.83	1,64,55,581	164.56	1,64,55,581	164.56	20,00,000	20.00
Add: Bonus Issued during the year			82,27,791	82.28	-	-	80,00,000	80.00
Add: Rights Issue of shares during the year			-	-	-	-	64,55,581	64.56
<b>As at the end of the year</b>	<b>2,46,83,372</b>	<b>246.83</b>	<b>2,46,83,372</b>	<b>246.83</b>	<b>1,64,55,581</b>	<b>164.56</b>	<b>1,64,55,581</b>	<b>164.56</b>

### (c) Details of Shareholding in Excess of 5%:

Name of Shareholder	As at 31st Jul 2022		Fiscal 2022		Fiscal 2021		Fiscal 2020	
	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%
Rameshbhai Ravajibhai Talavia	90,08,087	36.49%	90,08,087	36.49%	60,05,391	36.49%	60,05,391	36.49%
Jamankumar Hansarajbhai Talavia	82,50,255	33.42%	82,50,255	33.42%	55,00,170	33.42%	55,00,170	33.42%
Manjulaben Rameshbhai Talavia	26,67,285	10.81%	26,67,285	10.81%	17,78,190	10.81%	17,78,190	10.81%
Muktaben Jamankumar Talavia	25,49,745	10.33%	25,49,745	10.33%	16,99,830	10.33%	16,99,830	10.33%
Vishal Domadia	12,90,000	5.23%	12,90,000	5.23%	8,60,000	5.23%	8,60,000	5.23%

(d) **Shareholding of Promoters**

**Shares held by the promoters as at Jul 31 2022**

Promoter Name	No of Shares	% of Total Shares	% changes during the year
Rameshbhai Ravajibhai Talavia	90,08,087	36.49%	0.00%
Jamankumar Hansarajbhai Talavia	82,50,255	33.42%	0.00%
Jagdishbhai Ravajibhai Savaliya	5,07,600	2.06%	0.00%
Vishal Domadia	12,90,000	5.23%	0.00%

**Shares held by the promoters as at March 31 2022**

Promoter Name	No of Shares	% of Total Shares	% changes during the year
Rameshbhai Ravajibhai Talavia	90,08,087	36.49%	0.00%
Jamankumar Hansarajbhai Talavia	82,50,255	33.42%	0.00%
Jagdishbhai Ravajibhai Savaliya	5,07,600	2.06%	0.00%
Vishal Domadia	12,90,000	5.23%	0.00%

**Shares held by the promoters as at March 31 2021**

Promoter Name	No of Shares	% of Total Shares	% changes during the year
Rameshbhai Ravajibhai Talavia	60,05,391	36.49%	0.00%
Jamankumar Hansarajbhai Talavia	55,00,170	33.42%	0.00%
Jagdishbhai Ravajibhai Savaliya	3,38,400	2.06%	0.00%
Vishal Domadia	8,60,000	5.23%	0.00%

**Shares held by the promoters as at March 31 2020**

Promoter Name	No of Shares	% of Total Shares	% changes during the year
Rameshbhai Ravajibhai Talavia	60,05,391	36.49%	0.69%
Jamankumar Hansarajbhai Talavia	55,00,170	33.42%	-1.58%
Jagdishbhai Ravajibhai Savaliya	3,38,400	2.06%	-0.94%
Vishal Domadia	8,60,000	5.23%	0.23%

(e) **Terms / rights attached to equity shares:**

The Company has only one class of equity shares having a par value of Rs.10/- each. Each holder of equity share is entitled to one vote per share. The distribution will be in proportion to the number of equity shares held by the shareholders.

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. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(f) **Changes in Authorised Capital**

In Financial year 2019-20, the company's authorised capital increased from Rs. 2,00,00,000 to Rs.16,50,00,000 comprising of 1,65,00,000 number of equity shares of face value Rs. 10 each and further In Financial year 2021-22, the company's authorised capital increased from Rs. 16,50,00,000 to Rs.35,00,00,000 comprising of 3,50,00,000 number of equity shares of face value Rs. 10 each.

(g) **Issue of Shares Under Bonus shares:**

In Financial year 2021-22, the company had issued 82,27,791 bonus shares of face value of Rs.10 each. Bonus issue was in proportion of 1:2 on the record date of November 27,2021 for 82,27,791 fully paid equity shares to the shareholders. The shares was issued from securities premium reserve and retained earnings to the share capital.

In Financial year 2019-20, the company had issued total 80,00,000 bonus shares twice in a year of face value of Rs.10 each. First bonus issue was in proportion of 1:3 on the record date of May 11,2019 for 30,00,000 fully paid equity shares. Second was in the proportion of 1:1 on record date as on July 13,2019 for 50,00,000 fully paid equity shares to the shareholders. The shares was issued from securities premium reserve and retained earnings to the share capital.

(h) **Issue of Shares Under Rights Issue:**

The Company had issued 64,55,581 equity shares of face value of Rs. 10/- each on right basis ('Rights Equity Shares') to the Eligible Equity Shareholders at an issue price of Rs. 21.95 per Rights Equity Share (including premium of Rs.11.95 per Rights Equity Share). The company has issued rights shares twice in a year for 60,00,000 and 4,55,581 number of shares of Ex-right issue date was November 11,2019 and December 3,2019 respectively.

## 11 Other Equity

(Amount in INR Millions)

Particulars	As at 31st Jul 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Surplus	785.73	602.35	321.74	112.59
Securities Premium	-	-	77.14	77.14
<b>Total</b>	<b>785.73</b>	<b>602.35</b>	<b>398.89</b>	<b>189.73</b>

## 12 Non Current Financial Liabilities - Borrowings

(Amount in INR Millions)

(a) Particulars	As at 31st Jul 2022		Fiscal 2022		Fiscal 2021		Fiscal 2020	
	Non Current	Current Maturities	Non Current	Current Maturities	Non Current	Current Maturities	Non Current	Current Maturities
<b>Term Loans:</b>								
Machinery Loan	-	-	-	-	-	16.08	16.04	13.39
Vehicle Loan	14.40	5.36	13.94	5.00	9.99	3.28	4.01	2.39
Purchase Machinery & Construction	268.28	40.37	160.85	38.54	114.91	30.16	12.66	2.45
<b>Other Loans and Advances :</b>								
Directors & Members	81.84	-	78.36	-	27.55	-	18.52	-
<b>Total</b>	<b>364.52</b>	<b>45.73</b>	<b>253.16</b>	<b>43.53</b>	<b>152.45</b>	<b>49.52</b>	<b>51.23</b>	<b>18.24</b>
The above amount includes								
Secured Borrowings	282.68	45.73	174.80	43.53	124.90	49.52	32.71	18.24
Unsecured Borrowings	81.84	-	78.36	-	27.55	-	18.52	-

### (b) Details of securities and repayment terms of secured loans stated above;

#### 1 Term loan and Cash Credit

##### i) Securities for Term Loans from HDFC Bank :

- 1) Primary Security charges on stock and books debts, and Plant and Machinery.
- 2) Collateral Security charges on immovable fixed assets of borrower at Factory land and building situated at Plot No 408 to 411, off N H 8, Kerala GIDC Estate, Kerala, Tal. Balva, Dist. Ahmedabad.
- 3) Collateral Security charges on immovable fixed assets of borrower at Factory land and building situated at 901 to 903 and 911, B - Square 2, Iscon Ambli road, Ahmedabad
- 4) Collateral Security charges on immovable fixed assets of borrower at Factory land and building situated at Plot no. DP/154, Saykha to Saran Village Road, Saykha industrial Estate, GIDC Mouje Saykha, Bharuch

##### ii) Securities for Term Loans from SBI Bank :

- 1) Primary Security charges on entire present & future current assets of the company comprises stock and book debts, stores, spares, others etc.
- 2) Primary Security charges on all Plant, machineries, utility items, furniture fixture, lab items, misc fixed assets created out at Plot no. DP/154, Saykha to Saran Village Road, Saykha industrial Estate, GIDC Mouje Saykha, Bharuch
- 3) Primary Security charges on immovable fixed assets of borrower at factory land and building situated at Plot no. DP/154, Saykha to Saran Village Road, Saykha industrial Estate, GIDC Mouje Saykha, Bharuch
- 4) Collateral Security charges on immovable fixed assets of borrower at factory land and building situated at Plot No 408 to 411, off N H 8, Kerala GIDC Estate, Kerala, Tal. Balva, Dist. Ahmedabad.
- 5) Collateral Security charges on immovable fixed assets at office no. 901 to 903 and 911, B - Square 2, Iscon Ambli road, Ahmedabad
- 6) Collateral Security charges on all Plant, machineries, utility items, furniture fixture and other movable assets situated at Plot No 408 to 411, off N H 8, Kerala GIDC Estate, Kerala, Tal. Balva, Dist. Ahmedabad.
- 7) Joint and several guarantee by a) Rameshbhai Talavia, b) Jamankumar Talavia, c) Muktaben Talavia, d) Manjulaben Talavia, e) Jagdishbhai Savalia, f) Vishal Domadia in individual capacity

iii) **Interest on Term Loans:**

Facility	Interest Type	ROI			
		April to Jul 22	2021-22	2020-21	2019-20
Term Loan - HDFC Bank Machinery Loan - CLCSS (Rs.4.00 Cr)	Floating Rate		7.80%	9.00%	10.00%
Term Loan - HDFC Bank Machinery Loan - CLCSS (Rs. 1.20 Cr)	Floating Rate		7.80%	9.00%	10.00%
Term Loan - HDFC Bank Machinery Loan - CLCSS (Rs. 1 Cr)	Floating Rate		7.80%	9.00%	10.00%
Term Loan - HDFC Purchase Machinery & Construction (Rs.12 Cr)	Floating Rate	8.05% to 8.95%	8.05%	9.00%	10.00%
Term Loan - HDFC Purchase Machinery & Construction - Saykha	Floating Rate	7.80% to 8.20%	7.80%	-	-
Term Loan - SBI Purchase Machinery & Construction - Saykha	Floating Rate	8.00% to 8.20%			
Cash Credit	Floating Rate	7.80% to 8.70%	8.80% to 7.80%	9.00%	10.00%

iv) **Repayment Term:**

Type of Loan	Repayment Schedule
Term Loan - HDFC Bank Machinery Loan - CLCSS (Rs.4.00 Cr)	Repayable in 59 monthly instalments commencing from 7th October, 2016 and ending on 7th July, 2021.
Term Loan - HDFC Bank Machinery Loan - CLCSS (Rs. 1.20 Cr)	Repayable in 60 monthly instalments commencing from 7th April, 2018 and ending on 7th March, 2023.
Term Loan - HDFC Bank Machinery Loan - CLCSS (Rs. 1.00 Cr)	Repayable in 60 monthly instalments commencing from 7th July, 2019 and ending on 7th June, 2024.
Term Loan - HDFC Purchase Machinery & Construction (Rs.12Cr)	Repayable in 60 monthly instalments commencing from 7th April, 2020 and ending on 7th March, 2025.
Term Loan - HDFC Purchase Machinery & Construction - Saykha	Repayable in 96 monthly instalments commencing from 7th April, 2024 and ending on 7th March, 2032. *
Term Loan - SBI Purchase Machinery & Construction - Saykha	Repayable in 84 monthly instalments commencing from 28th Feb, 2024 and ending on 31st Jan, 2031. **

\* Total amount sanction by HDFC bank for Saykha expansion project is Rs. 50 Crore out of which only Rs. 15.71 crore is disbursed till 31st July 2022.

\*\* Total amount sanction by SBI bank for Saykha expansion project is Rs. 50 Crore out of which only Rs. 2.60 crore is disbursed till 31st July 2022.

2 **Securities for Vehicle Loans :**

Vehicle loans are secured against the same vehicles for which loan is taken.

(c) **Maturity profile of Term Loans**

Period	(Amount in INR Millions)			
	As at 31st Jul 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Within 1 year	45.73	43.53	49.52	18.24
2 - 3 years	112.97	95.84	86.11	22.06
4 - 5 years	51.08	27.92	38.69	10.66
More than 5 years	118.63	51.03	0.10	-
<b>Total</b>	<b>328.41</b>	<b>218.33</b>	<b>174.42</b>	<b>50.95</b>

(d) **Loan from Related Party:**

The said loans are repayable on demand when there is surplus cash available with the company. Based on the management's assessment of repayment the same has been classified as non-current.

(e) **As per the Amendment to INDAS 7 " Statement of Cash Flow "**

An entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

i) **April to July 2022** (Amount in INR Millions)

Particulars	Non-current borrowings	Current borrowings	Current maturities of long term borrowings	Total
Opening balance	253.16	72.59	43.53	369.28
Loan Taken during the year	125.84	32.77	-	158.61
Interest converted in to Loan	2.11	-	-	2.11
Repayment of Loan	(14.40)	-	-	(14.40)
Others	(2.20)	-	2.20	-
<b>Closing balance</b>	<b>364.52</b>	<b>105.36</b>	<b>45.73</b>	<b>515.61</b>

i) **2021-22** (Amount in INR Millions)

Particulars	Non-current borrowings	Current borrowings	Current maturities of long term borrowings	Total
Opening balance	152.45	67.26	49.52	269.23
Loan Taken during the year	144.38	135.52	-	279.91
Interest converted in to Loan	4.81	-	-	4.81
Repayment of Loan	(54.47)	(130.20)	-	(184.67)
Others	5.99	-	(5.99)	-
<b>Closing balance</b>	<b>253.15</b>	<b>72.59</b>	<b>43.53</b>	<b>369.28</b>

ii) **2020-21** (Amount in INR Millions)

Particulars	Non-current borrowings	Current borrowings	Current maturities of long term borrowings	Total
Opening balance	51.23	132.31	18.24	201.77
Loan Taken during the year	152.18	177.06	-	329.23
Interest converted in to Loan	2.43	-	-	2.43
Repayment of Loan	(22.10)	(242.10)	-	(264.20)
Others	(31.28)	-	31.28	-
<b>Closing balance</b>	<b>152.44</b>	<b>67.26</b>	<b>49.52</b>	<b>269.23</b>

iii) **2019-20** (Amount in INR Millions)

Particulars	Non-current borrowings	Current borrowings	Current maturities of long term borrowings	Total
Opening balance	171.90	18.43	13.13	203.46
Loan Taken during the year	60.16	113.88	-	174.04
Interest converted in to Loan	9.59	-	-	9.59
Repayment of Loan	(185.31)	-	-	(185.31)
Others	(5.11)	-	5.11	-
<b>Closing balance</b>	<b>51.22</b>	<b>132.31</b>	<b>18.24</b>	<b>201.77</b>

(f) **Defaults:**

There has been no continuing default in repayments of loan instalments and interest in respect of loans outstanding.

## 13 Provisions

(Amount in INR Millions)

Particulars	As at 31st Jul 2022		Fiscal 2022		Fiscal 2021		Fiscal 2020	
	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current
<b>Provision for Employee Benefits:</b>								
Provision for Gratuity	4.76	0.36	4.08	0.20	3.34	0.12	1.88	0.01
<b>Total</b>	<b>4.76</b>	<b>0.36</b>	<b>4.08</b>	<b>0.20</b>	<b>3.34</b>	<b>0.12</b>	<b>1.88</b>	<b>0.01</b>

## (a) Disclosures as required by Indian Accounting Standard (Ind AS) 19 Employee Benefits- Gratuity:

(Amount in INR Millions)

	April to Jul 22	2021-22	2020-21	2019-20
<b>a) Reconciliation of opening and closing balances of defined benefit obligation</b>				
Present Value of Benefit Obligation at the Beginning of the Period	4.28	3.46	1.88	0.90
Interest Cost	0.10	0.23	0.13	0.07
Current Service Cost	0.53	1.39	0.85	0.58
Past Service Cost	-	-	-	-
Benefit Paid Directly by the Employer	(0.08)	(0.15)	-	-
Benefit Paid From the Fund	-	-	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-	-	(0.0013)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.14)	(0.13)	(0.04)	0.17
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.43	(0.53)	0.64	0.16
<b>Present Value of Benefit Obligation at the End of the Period</b>	<b>5.12</b>	<b>4.28</b>	<b>3.46</b>	<b>1.88</b>

(Amount in INR Millions)

	April to Jul 22	2021-22	2020-21	2019-20
<b>b) Reconciliation of opening and closing balances of fair value of plan assets</b>				
Fair Value of Plan Assets at the Beginning of the Period	-	-	-	-
Investment Income	-	-	-	-
Contribution by the Employer	-	-	-	-
Benefit Paid from the Fund	-	-	-	-
<b>Fair Value of Plan Assets at the End of the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(Amount in INR Millions)

	April to Jul 22	2021-22	2020-21	2019-20
<b>c) Reconciliation of fair value of assets and obligations</b>				
Present Value of Benefit Obligation at the end of the Period	5.12	4.28	3.46	1.88
Fair Value of Plan Assets at the end of the Period	-	-	-	-
Funded Status (Surplus/ (Deficit))	(5.12)	(4.28)	(3.46)	(1.88)
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>(5.12)</b>	<b>(4.28)</b>	<b>(3.46)</b>	<b>(1.88)</b>

(Amount in INR Millions)

	April to Jul 22	2021-22	2020-21	2019-20
<b>d) Expenses Recognized in the Statement of Profit or Loss for Current Period</b>				
Current Service Cost	0.53	1.39	0.85	0.58
Net Interest Cost	0.10	0.23	0.13	0.07
Past Service Cost	-	-	-	-
<b>Expenses Recognized</b>	<b>0.63</b>	<b>1.63</b>	<b>0.98</b>	<b>0.65</b>

(Amount in INR Millions)

	April to Jul 22	2021-22	2020-21	2019-20
<b>e) Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period</b>				
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-	-	(0.0013)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.14)	(0.13)	(0.04)	0.17
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.43	(0.53)	0.64	0.16
Return on Plan Assets, Excluding Interest Income	-	-	-	-
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>0.29</b>	<b>(0.66)</b>	<b>0.60</b>	<b>0.33</b>
<b>Total expenses recognized during the period</b>	<b>0.92</b>	<b>0.97</b>	<b>1.58</b>	<b>0.98</b>

(Amount in INR Millions)

	April to Jul 22	2021-22	2020-21	2019-20
<b>f) Balance Sheet Reconciliation</b>				
Opening Net Liability	4.28	3.46	1.88	0.90
Expenses Recognized in Statement of Profit or Loss	0.63	1.63	0.98	0.65
Expenses Recognized in OCI	0.29	(0.66)	0.60	0.33
Net Liability/(Asset) Transfer In	-	-	-	-
Benefit Paid Directly by the Employer	(0.08)	(0.15)	-	-
Employer's Contribution	-	-	-	-
<b>Net Liability/(Asset) Recognized in the Balance Sheet</b>	<b>5.12</b>	<b>4.28</b>	<b>3.46</b>	<b>1.88</b>



	(Amount in INR Millions)			
g) Net liabilities recognised in the balance sheet	April to Jul 22	2021-22	2020-21	2019-20
Long-Term Provision	4.76	4.08	3.34	1.88
Short-Term Provision	0.36	0.20	0.12	0.01
<b>Net liabilities recognised in the balance sheet</b>	<b>5.12</b>	<b>4.28</b>	<b>3.46</b>	<b>1.88</b>

Assumptions	April to Jul 22	2021-22	2020-21	2019-20
Expected Return on Plan Assets	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Rate of Discounting	7.45% P.A.	7.15% P.A.	6.85% P.A.	6.75% P.A.
Rate of Salary Increase	5.00% P.A.	5.00% P.A.	5.00% P.A.	5.00% P.A.
Rate of Employee Turnover	10.00% p.a at younger ages reducing to 2.00% p.a at older ages			
Retirement Age	60 Years	60 Years	60 Years	60 Years
Mortality Rate	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-13

Sensitivity Analysis	April to Jul 22		2021-22		2020-21		2019-20	
	% (Changes)	Amt.	% (Changes)	Amt.	% (Changes)	Amt.	% (Changes)	Amt.
Delta Effect of +1% Change in Rate of Discounting	-8.29%	4.69	-9.03%	3.89	-9.53%	3.13	-10.14%	1.69
Delta Effect of -1% Change in Rate of Discounting	9.67%	5.61	10.61%	4.73	11.27%	3.85	12.05%	2.11
Delta Effect of +1% Change in Rate of Salary Increase	8.98%	5.58	9.91%	4.70	10.31%	3.82	11.32%	2.10
Delta Effect of -1% Change in Rate of Salary Increase	-7.94%	4.71	-9.00%	3.89	-9.24%	3.14	-10.03%	1.69
Delta Effect of +1% Change in Rate of Employee Turnover	0.48%	5.14	0.39%	4.30	0.03%	3.46	-0.03%	1.88
Delta Effect of -1% Change in Rate of Employee Turnover	-0.57%	5.09	-0.48%	4.26	-0.03%	3.46	0.03%	1.88

**Note :**

- 1 Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.
- 2 Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.
- 3 Maturity Analysis of Projected Benefit Obligation is done considering future salary, attrition & death in respective year for members as mentioned above.
- 4 **Risk Factors:**  
**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.

**Mortality risk:** If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

**Employee Turnover:** If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

**Investment Risk:** For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter valuation period.

**Liquidity Risk:** Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

**Market Risk:** 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 & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

**Legislative Risk:** Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

**14 Deferred Tax (Liabilities) / Assets (Net)**

(Amount in INR Millions)

Particulars	As at 31st Jul 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
<b>Deferred Tax Liability:</b>				
Depreciation	-	-	(1.18)	-
Preliminary Expenses	(0.01)	(0.02)	(0.01)	(0.01)
<b>Deferred Tax Asset:</b>				
Depreciation	1.69	1.12	-	1.52
Provision for Gratuity	1.29	1.19	0.96	0.52
<b>Deferred Tax (Liabilities) / Assets (Net)</b>	<b>2.97</b>	<b>2.30</b>	<b>(0.23)</b>	<b>2.03</b>

**15 Other Non-Current Liabilities**

(Amount in INR Millions)

Particulars	As at 31st Jul 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Security Deposit from Customer(*)	29.36	22.41	16.95	12.31
<b>Total</b>	<b>29.36</b>	<b>22.41</b>	<b>16.95</b>	<b>12.31</b>

(\*) Security Deposit from Customers for performance of contract of supply of goods.

**16 Current Financial Liabilities - Borrowings**

The borrowings are analysed as follows :

(Amount in INR Millions)

Particulars	As at 31st Jul 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
<b>Loans Repayable on Demand :</b>				
Cash Credit from Bank	105.36	72.59	15.21	87.51
EPC from Bank	-	-	22.06	-
WCCL from Bank	-	-	30.00	-
<b>Current Maturities of Term Loan :</b>				
Term loans	45.73	43.53	49.52	18.24
<b>Other Loans and Advances :</b>				
GIDC Loan	-	-	-	44.80
<b>Total</b>	<b>151.09</b>	<b>116.12</b>	<b>116.78</b>	<b>150.54</b>
The above amount includes				
Secured Borrowings	151.09	116.12	116.78	150.54
Unsecured Borrowings	-	-	-	-

 (i) **Securities -**

## 1) Cash Credit from Bankers:

Working Capital loan(Bank CC) is secured against hypothecation of Inventories, book debts and collaterally secured by equitable mortgage of factory , Office, Land and Building.

## 2) Gujarat Industries Development corporation (GIDC) Loan:

GIDC has allotted plot at DP-154 in Sayakha industries Estate for the total consideration of Rs.6,39,98,874/-, on 30% advance payment and balance shall be payable in 32 equal quarterly instalment with interest rate of 12%. Company shall have to pay only interest on balance capital for first two years in 8 quarterly instalments. It does not have any primary or collateral charges on property. Full amount has been pre-paid In F.Y. 2020-21.

 (ii) **Interest Rate:-**

Cash Credit	* Interest Rate is 7.80% to 8.70% P.A. [Interest rates were 10% P.A. in 2019-20, 9% P.A. in 2020-21 and 7.80% P.A. in 2021-22]
EPC	* Interest Rate is 7.80% P.A.[FY 2020-21 was 9% P.A.]
GIDC Loan	* Interest Rate is 12% P.A.

(iii) Quarterly returns / stock statements filed by the Company with its bankers are in agreement with books of account.

17 Current Financial Liabilities - Trade Payables

(Amount in INR Millions)

Particulars	As at 31st Jul 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
<b>Trade Payables:</b>				
Micro and Small Enterprise	-	-	-	-
Others	1,410.74	913.70	391.27	332.04
<b>Total</b>	<b>1,410.74</b>	<b>913.70</b>	<b>391.27</b>	<b>332.04</b>

(i) The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors. The company has disclosed the turnover as net of total excise duty (excluding difference of excise duty on closing stock and opening stock). The excise duty related to the difference between the Closing stock and opening stock is recognized separately in the profit and loss account.

(ii) The balances of the trade payables are subject to confirmation and consequent reconciliation, if any.

**Disclosure In accordance with Section 22 of The Micro Small and Medium Enterprises Development Act 2006.**

(Amount in INR Millions)

Particulars	As at 31st Jul 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
(i) The principal amount and the interest due thereon remaining unpaid to any micro and small enterprises as at the end of each accounting year	-	-	-	-
Principal amount due	-	-	-	-
Interest due on the above	-	-	-	-
(ii) The amount of interest paid in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year				
Principal amount paid beyond appointed day	-	-	-	-
Interest paid thereon	-	-	-	-
(iii) The amount of interest due and payable for the period of delay in making payment but without adding the interest under MSME Act where payment has been made beyond appointed day during the year.	-	-	-	-
(iv) The amount of interest accrued and remaining un-paid at the end of the accounting year	-	-	-	-

iii) Trade Payable Ageing Schedule

**Trade Payable ageing as at Jul 31, 2022**

(Amount in INR Millions)

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
MSME	-	-	-	-	-
Other	1,409.96	0.78	-	-	1,410.74
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-
<b>Total</b>	<b>1,409.96</b>	<b>0.78</b>	<b>-</b>	<b>-</b>	<b>1,410.74</b>

**Trade Payable ageing as at March 31, 2022**

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
MSME	-	-	-	-	-
Other	913.27	0.43	-	-	913.70
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-
<b>Total</b>	<b>913.27</b>	<b>0.43</b>	<b>-</b>	<b>-</b>	<b>913.70</b>

**Trade Payable ageing as at March 31, 2021**

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
MSME	-	-	-	-	-
Other	391.27	-	-	0.00	391.27
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-
<b>Total</b>	<b>391.27</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>391.27</b>

**Trade Payable ageing as at March 31, 2020**

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
MSME	-	-	-	-	-
Other	332.03	0.00	0.01	-	332.04
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-
<b>Total</b>	<b>332.03</b>	<b>0.00</b>	<b>0.01</b>	<b>-</b>	<b>332.04</b>

**18 Other Current Financial Liabilities**

Particulars	(Amount in INR Millions)				
	As at 31st Jul 2022	Fiscal 2022	Fiscal 2021	Fiscal 2021	Fiscal 2020
- Related Party	0.91	0.67	0.49		0.05
- Others	-	-	-	0.49	-
<b>Total</b>	<b>0.91</b>	<b>0.67</b>	<b>0.49</b>	<b>0.49</b>	<b>0.05</b>

**19 Other Current Liabilities**

Particulars	(Amount in INR Millions)				
	As at 31st Jul 2022	Fiscal 2022	Fiscal 2021	Fiscal 2021	Fiscal 2020
Customer Advances / Deposits	10.56	28.16	37.31		19.27
Duty & Taxes Payable	3.62	3.41	3.60		1.63
<b>Total</b>	<b>14.18</b>	<b>31.58</b>	<b>40.91</b>	<b>-</b>	<b>20.90</b>

**20 Current Tax Liabilities**

Particulars	(Amount in INR Millions)				
	As at 31st Jul 2022	Fiscal 2022	Fiscal 2021	Fiscal 2021	Fiscal 2020
Provision for taxation (net of taxes paid)	49.16	4.35	2.72		2.59
<b>Total</b>	<b>49.16</b>	<b>4.35</b>	<b>2.72</b>	<b>2.72</b>	<b>2.59</b>

**21 Revenue from Operations**

(Amount in INR Millions)

(a) Particulars	For Four Months period ended July 31,			
	2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
<b>Revenue from Operations</b>				
Products	2,200.37	3,917.69	3,002.44	1,968.39
<b>Other Operating Revenue:</b>				
Discount	5.62	17.09	14.27	4.95
MEIS License	2.50	2.48	2.69	4.88
Export incentives	0.91	4.82	4.69	4.00
Other Income	-	-	21.65	-
<b>Total</b>	<b>2,209.40</b>	<b>3,942.08</b>	<b>3,024.10</b>	<b>1,982.22</b>

**(b) Disclosure in accordance with Ind-AS - 115 "Revenue recognition disclosures", of the Companies (Indian Accounting Standards) Rules, 2015**

Revenue disaggregation based on :

(Amount in INR Millions)

Particulars	For Four Months period ended July 31,			
	2022	2022	2021	2020
a) Category of Revenue				
Sale of Product	2,197.51	3,913.21	2,999.00	1,964.35
Sale of Services	2.86	4.48	3.44	4.04
<b>Total</b>	<b>2,200.37</b>	<b>3,917.69</b>	<b>3,002.44</b>	<b>1,968.39</b>
b) Geographical region				
India	2,118.46	3,529.32	2,642.54	1,673.12
International	81.91	388.37	359.91	295.27
<b>Total</b>	<b>2,200.37</b>	<b>3,917.69</b>	<b>3,002.44</b>	<b>1,968.39</b>

(c) The company has disclosed the turnover as net of total excise duty (excluding difference of excise duty on closing stock and opening stock). The excise duty related to the difference between the Closing stock and opening stock is recognized separately in the profit and loss account.

**22 Other Income**

(Amount in INR Millions)

Particulars	For Four Months period ended July 31,			
	2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Interest Income	0.09	0.70	0.59	0.72
Miscellaneous Income	2.23	7.89	3.80	3.00
Exchange Gain	-	11.02	1.56	5.70
Profit on Sale of Asset	-	1.18	5.61	-
<b>Total</b>	<b>2.32</b>	<b>20.80</b>	<b>11.55</b>	<b>9.43</b>

**23 Cost of Materials Consumed**

(Amount in INR Millions)

Particulars	For Four Months period ended July 31,			
	2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Opening Stock	292.01	225.09	150.42	83.23
Add : Purchases (Net of Discount)	1,962.48	3,273.61	2,479.67	1,633.72
Less : Closing Stock	300.24	292.01	225.09	150.42
<b>Total</b>	<b>1,954.25</b>	<b>3,206.69</b>	<b>2,405.00</b>	<b>1,566.53</b>

**24 Changes in Inventories**

(Amount in INR Millions)

Particulars	For Four Months period ended July 31,			
	2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
<b>Finished Goods</b>				
Opening Finished Goods	167.24	88.38	125.69	69.26
Less : Closing Finished Goods	(313.04)	(167.24)	(88.38)	(125.69)
<b>Work-in-Progress</b>				
Opening WIP	169.35	118.35	-	-
Less : Closing WIP	(197.39)	(169.35)	(118.35)	-
<b>Stock-in-Trade</b>				
Opening traded Goods	0.17	3.94	-	-
Less : Closing	(0.08)	(0.17)	(3.94)	-
<b>Total</b>	<b>(173.75)</b>	<b>(126.11)</b>	<b>(84.98)</b>	<b>(56.42)</b>

**25 Manufacturing & Operating Costs**

(Amount in INR Millions)

Particulars	For Four Months period ended July 31,			
	2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Consumable and Hardware	0.42	1.32	3.10	2.78
Power and Fuel	5.41	13.59	9.09	8.21
Inward Transportation	4.07	9.05	10.25	5.79
Job work Expenses	1.42	0.51	-	-
Lab Chemical & Other	0.02	0.24	0.49	0.69
Labour Charges	5.68	25.05	36.23	19.07
Safety Expenses	0.42	1.13	1.06	0.38
Designs Expenses	0.20	0.66	0.18	0.33
Packing and consumable	0.63	2.21	1.70	1.13
Other Manufacturing Expenses	0.82	2.87	2.85	1.85
<b>Total</b>	<b>19.09</b>	<b>56.65</b>	<b>64.95</b>	<b>40.22</b>

**26 Employee Benefits**

(Amount in INR Millions)

Particulars	For Four Months period ended July 31,			
	2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Salaries, Bonus, Perquisites etc.	49.67	117.56	104.35	71.40
Director Remuneration	2.96	9.70	8.05	6.80
Contribution to provident and other funds	1.43	2.98	2.14	1.16
Gratuity	0.63	1.63	0.98	0.65
Staff Welfare Expenses	1.56	4.01	4.10	2.03
Employee Benefit Other	0.58	0.73	0.45	-
<b>Total</b>	<b>56.82</b>	<b>136.60</b>	<b>120.07</b>	<b>82.04</b>

**27 Finance Cost**

(Amount in INR Millions)

Particulars	For Four Months period ended July 31,			
	2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Interest Expense	6.79	23.87	12.45	19.40
Interest on taxes	-	0.02	0.01	0.07
Bank Guarantee Commission	0.06	-	-	0.07
Processing Fees	2.14	1.01	0.38	0.47
Others	0.32	1.25	1.36	2.35
<b>Total</b>	<b>9.30</b>	<b>26.15</b>	<b>14.19</b>	<b>22.37</b>

**28 Depreciation & Amortisation**

(Amount in INR Millions)

Particulars	For Four Months period ended July 31,			
	2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Depreciation	16.03	52.71	26.01	21.76
<b>Total</b>	<b>16.03</b>	<b>52.71</b>	<b>26.01</b>	<b>21.76</b>

**29 Other Expenses**

(Amount in INR Millions)

Particulars	For Four Months period ended July 31,			
	2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Cash and Quantity Discount	14.72	58.19	47.31	49.67
Sales Rate Difference	0.19	2.69	3.22	0.43
Sales Promotion	12.68	12.45	22.51	16.30
Freight and Transportation	14.28	45.90	31.80	20.65
Service & Commission C&F Charge	1.27	3.64	4.92	4.84
Loading and unloading Charges	0.99	2.17	2.11	1.62
Rates & Taxes	0.12	1.43	0.66	0.74
Fees & Consultations	1.72	8.67	10.49	9.04
Commission	1.17	12.15	17.61	11.17
Legal Expenses	0.68	1.26	2.53	1.49
Repairs and Maintenance:				
Plant & Machinery	0.80	3.99	3.98	3.59
Land and Building	0.22	0.03	0.02	1.08
Others	0.58	2.28	5.33	5.34
Advertisement	3.18	10.42	5.49	4.66
Rent	1.98	4.21	3.90	2.47
Insurance	2.63	6.59	5.38	3.82
Travelling Expenses	21.28	28.35	20.98	19.53
Power & Fuel	0.27	0.53	0.22	0.18
License Fees	0.36	0.71	0.21	0.08
Security Charges	0.51	1.30	1.36	1.01
Telephone	0.46	0.79	0.55	0.56
Office Expenses	1.08	1.22	0.71	0.82
Courier and Postage	0.38	0.73	0.52	0.40
Printing and Stationery	0.29	0.86	1.52	1.34
Conveyance	0.01	0.08	0.13	0.20
Remuneration to Auditors	0.45	0.45	0.35	0.30
Recruitment Expenses	0.13	0.05	-	-
Miscellaneous Expenses	0.93	1.86	1.65	1.46
Preliminary Expenses	0.21	0.68	0.66	0.66
Gift Expenses	-	1.42	1.00	0.76
Corporate Social Responsibility	0.12	3.35	1.71	0.74
Exchange Gain	0.33	-	-	-
Stamp Duty	0.22	0.80	0.33	-
Bad Debts	-	-	0.22	2.25
Directors Sitting Fees	0.02	0.06	-	-
<b>Total</b>	<b>84.26</b>	<b>219.34</b>	<b>199.40</b>	<b>167.20</b>

**(b) Remuneration to Statutory Auditors**

(Amount in INR Millions)

Particulars	For Four Months period ended July 31,			
	2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Statutory Audit Fees	0.35	0.30	0.20	0.05
Income tax Audit	0.05	0.05	0.05	0.03
Other Services	0.05	0.10	0.10	0.23
<b>Total</b>	<b>0.45</b>	<b>0.45</b>	<b>0.35</b>	<b>0.30</b>

## 30 Tax Expense

(Amount in INR Millions)

Particulars	For Four Months period ended July 31,			
	2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
<b>Income tax expense in the statement of profit and loss consists of:</b>				
Current Tax	62.72	101.09	69.95	37.78
Adjustment of Tax Relating to Earlier Years	-	0.01	(0.03)	0.00
Deferred tax	(0.60)	(2.69)	2.41	(0.75)
<b>Income tax recognised in statement of profit or loss</b>	<b>62.12</b>	<b>98.41</b>	<b>72.32</b>	<b>37.03</b>

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

(Amount in INR Millions)

For Four Months period ended July 31,

A <u>Current Tax</u>	For Four Months period ended July 31,			
	2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Accounting profit before income tax	245.71	385.31	281.93	144.62
Enacted tax rates in India (%)	25.17%	25.17%	25.17%	25.17%
Computed expected tax expenses	61.84	96.97	70.95	36.40
Effect of non- deductible expenses	4.24	14.74	6.60	5.51
Effects of deductible Expenses	(3.36)	(11.07)	(8.96)	(4.83)
Effect on deferred tax due to timing difference	(0.60)	(2.69)	2.41	(0.75)
Other		0.46	1.32	0.69
<b>Tax at Normal Rates.....A</b>	<b>62.12</b>	<b>98.41</b>	<b>72.32</b>	<b>37.03</b>
<b><u>Minimum Alternate Tax</u></b>				
Enacted tax rates in India (%)	NA	NA	NA	NA
<b>Tax under 115JB .....B</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Higher of A and B</b>	<b>62.12</b>	<b>98.41</b>	<b>72.32</b>	<b>37.03</b>
<b>Effective Tax Rate</b>	<b>25.28%</b>	<b>25.54%</b>	<b>25.65%</b>	<b>25.61%</b>

## B Deferred Tax

(Amount in INR Millions)

Particulars	Opening as at April 1, 2022	Recognised in profit and loss	Recognised in OCI	Closing as at Jul 31, 2022
Property, Plant and Equipment	1.12	0.57	-	1.69
Preliminary Expenses	(0.02)	0.00		(0.01)
Provision for Gratuity	1.19	0.03	0.07	1.29
<b>Total</b>	<b>2.30</b>	<b>0.60</b>	<b>0.07</b>	<b>2.97</b>

Particulars	Opening as at April 1, 2021	Recognised in profit and loss	Recognised in OCI	Closing as at March 31, 2022
Property, Plant and Equipment	(1.18)	2.30	-	1.12
Preliminary Expenses	(0.01)	(0.00)		(0.02)
Provision for Gratuity	0.96	0.39	(0.17)	1.19
<b>Total</b>	<b>(0.23)</b>	<b>2.69</b>	<b>(0.17)</b>	<b>2.30</b>

Particulars	Opening as at April 1, 2020	Recognised in profit and loss	Recognised in OCI	Closing as at March 31, 2021
Property, Plant and Equipment	1.52	(2.70)	-	(1.18)
Preliminary Expenses	(0.01)	-	-	(0.01)
Provision for Gratuity	0.52	0.29	0.15	0.96
<b>Total</b>	<b>2.03</b>	<b>(2.41)</b>	<b>0.15</b>	<b>(0.23)</b>

Particulars	Opening as at April 1, 2019	Recognised in profit and loss	Recognised in OCI	Closing as at March 31, 2020
Property, Plant and Equipment	0.96	0.55	-	1.52
Preliminary Expenses	(0.02)	0.00	-	(0.01)
Provision for Gratuity	0.25	0.19	0.08	0.52
<b>Total</b>	<b>1.20</b>	<b>0.75</b>	<b>0.08</b>	<b>2.03</b>



### 31 Earning Per Share

**Earnings Per Share (EPS) = Net Profit attributable to Shareholders / Weighted Number of Shares Outstanding** (Amount in INR Millions)

Particulars	For Four Months period ended July 31,			
	2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Net Profit attributable to the Equity Share holders	184	287	210	107.59
O/s number of Equity Shares at the end of the year	2,46,83,372	2,46,83,372	1,64,55,581	1,64,55,581
Weighted Number of Shares during the period – Basic	2,46,83,372	2,46,83,372	1,64,55,581	1,24,75,995
Weighted Number of Shares during the period – Diluted	2,46,83,372	2,46,83,372	1,64,55,581	1,24,75,995
Earning Per Share – Basic (Amount in INR)	7.44	11.62	12.74	8.62
Earning Per Share – Diluted (Amount in INR)	7.44	11.62	12.74	8.62
Adjusted Earning Per Share – Basic (Amount in INR)	-	-	8.49	5.75
Adjusted Earning Per Share – Diluted (Amount in INR)	-	-	8.49	5.75

**Reconciliation of weighted number of outstanding during the year :**

Particulars	For Four Months period ended July 31,			
	2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Nominal Value of Equity Shares (Rupee Per Share)	10	10	10	10
<b>For Basic EPS:</b>				
Number of Equity Shares at the beginning	2,46,83,372	1,64,55,581	1,64,55,581	20,00,000
Add : Issue of shares	-	82,27,791	-	1,44,55,581
Outstanding Equity shares at the year end	2,46,83,372	2,46,83,372	1,64,55,581	1,64,55,581
No. of Equity Shares considered for EPS Calculation	2,46,83,372	2,46,83,372	1,64,55,581	1,64,55,581
Weighted Avg of Equity Shares considered for EPS	2,46,83,372	2,46,83,372	1,64,55,581	1,24,75,995
<b>For Dilutive EPS:</b>				
Weighted Avg no. of shares in calculating Basic EPS	2,46,83,372	2,46,83,372	1,64,55,581	1,24,75,995
Add : Dilutive Shares to be issued	-	-	-	-
Weighted Avg no. of shares in calculating Dilutive EPS	2,46,83,372	2,46,83,372	1,64,55,581	1,24,75,995

For FY 2020-2021 & 2019-2020, as adjusted for change in capital due to issue of bonus shares made by the Company on November 27, 2021, July 13, 2019 and May 11, 2019

### 32 Commitments and Contingent Liabilities

**(a) Commitments** (Amount in INR Millions)

Particulars	July 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Capital expenditure commitments	177.44	16.52	-	-

**(b) Contingent Liabilities:** (Amount in INR Millions)

Particulars	July 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Claims against the Company not acknowledged as debt for Infringement of Patent	20.20	20.20	20.20	-
Outstanding Bank Guarantee	-	5.00	5.00	-

The Company's pending litigations comprise mainly claims against the Company, The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

### 33 CSR Expenditure

**(Amount in INR Millions)**

a) CSR amount required to be spent by the companies as per section 135 of the Companies Act, 2013 read with Schedule VII thereof during the year as below

Particulars	2022-23	2021-22	2020-21	2019-20
CSR amount required to be spent	5.41	3.33	1.65	0.74
Unspent amount	5.29	-	-	-

b) Expenditure related to Corporate Social Responsibility

Particulars	2023	2022	2021	2020
Education and Other Related activity	0.12	3.35	1.71	0.74

c) Out of note (b) above, Rs. 1,22,000 (Rs.33,52,000 in FY 2021-22) contributed to Dharmaj Foundation which is related party.

**34 Segment Reporting as per IND AS108 " Operating Segments"**

The Company is engaged mainly in "Manufacturing in pestocodes, insecticides, herbicide and Fertilizer" segment. The Company also primarily operates under one geographical segment namely India.

**35 Payment of Dividend to Shareholder****(Amount in INR Millions)**

Shareholder Name	Jul-22	2022	2021	2020
Rameshbhai Ravajibhai Talavia	-	0.60	-	-
Jamanbhai Hansarajbhai Talavia	-	0.55	-	-
Vishalbhai Haribhai Domadia	-	0.09	-	-
Jagdishbhai Savaliya	-	0.03	-	-
Manjulaben Rameshbhai Talavia	-	0.18	-	-
Muktaben Jamanbhai Talavia	-	0.17	-	-
Artiben Domadia	-	0.01	-	-
Ilaben Savaliya	-	0.002	-	-
Prafullaben Savaliya	-	0.02	-	-

**Note on dividend**

During the year board of directors of company has recommended final dividend of Rs 0.10 paisa per equity share in Board meeting held on 3rd August, 2022 and approved by the shareholder in the AGM held on 15th September, 2022.

**36 Disclosure of transactions with Related Parties, as required by Indian Accounting Standard (Ind AS) - 24 "Related Party Disclosures"****(A) List of Related Parties****(a) Key Management personnel And their relatives**

- 1) Rameshbhai Ravajibhai Talavia (Managing Director)
- 2) Jamankumar Hansarajbhai Talavia (Wholetime Director)
- 3) Vishal Domadia (Chief Financial Officer)
- 4) Jagdishbhai Ravajibhai Savaliya (Wholetime Director)
- 5) Manjulaben Rameshbhai Talavia (Director)\*(Resigned on 22/10/2021)
- 6) Muktaben Jamankumar Talavia (Director)\*(Resigned on 22/10/2021)
- 7) Maheshkumar Babulal Joshi (Independent Director)\*(Resigned on 21/10/2021)
- 8) Deepak Bachubhai Kanparia (Independent Director)
- 9) Priyanka Choubey (Company Secretary) \*(Resigned on 18/10/2021)
- 10) Malvika Bhadrash Kapasi (Company Secretary) \*(Joined on 19/10/2021)
- 11) Domadia Artiben(Relative of Director's)
- 12) Ilaben Jagdishbhai Savaliya (Relative of Director's)
- 13) Prafullaben Shantilal Savaliya (Relative of Director's)
- 14) Bhaveshkumar Jayantibhai Ponkiya (Independent Director) \*(Joined on 18/11/2021)
- 15) Amisha Fenil Shah (Independent Director) \*(Joined on 27/11/2021)

**(b) Enterprise over which key management personnel/their relatives have significant influences**

- 1) Dharmaj Foundation

**(c) Entity having Significant Influence**

- 1) Khetipoint Private Limited

**(b) Transactions during the period:****(Amount in INR Millions)**

<b>Nature of Transactions</b>	<b>As at July 31, 2022</b>	<b>Fiscal 2022</b>	<b>Fiscal 2021</b>	<b>Fiscal 2020</b>
<b>a) Key Managerial Person</b>				
<b>Remuneration Expenses:</b>				
Rameshbhai Ravajibhai Talavia	1.20	3.15	2.44	2.04
Jamankumar Hansarajbhai Talavia	1.08	2.92	2.42	2.04
Vishal Domadia	0.87	2.26	1.60	1.36
Jagdishbhai Ravajibhai Savaliya	0.68	1.89	1.58	1.36
Priyanka Choubey	-	0.20	0.27	0.22
Malvika Bhadreshbhai Kapasi	0.13	0.19	-	-
<b>Interest Expenses:</b>				
Rameshbhai Ravajibhai Talavia	0.65	1.38	0.38	2.53
Jamankumar Hansarajbhai Talavia	0.45	0.87	0.22	2.19
Vishal Domadia	0.18	0.58	0.73	2.03
Jagdishbhai Ravajibhai Savaliya	0.17	0.48	0.56	1.15
Manjulaben Rameshbhai Talavia	0.46	1.00	0.26	0.97
Muktaben Jamankumar Talavia	0.20	0.50	0.28	0.74
<b>Dividend Expenses:</b>				
Rameshbhai Ravajibhai Talavia		0.60	-	-
Jamankumar Hansarajbhai Talavia		0.55	-	-
Vishal Domadia		0.09	-	-
Jagdishbhai Ravajibhai Savaliya		0.03	-	-
Manjulaben Rameshbhai Talavia		0.18	-	-
Muktaben Jamankumar Talavia		0.17	-	-
Domadia Artiben		0.01	-	-
Illaben Jagdishbhai Savaliya		0.002	-	-
Prafullaben Shantilal Savaliya		0.02	-	-
<b>Sitting Fees:</b>				
Deepak Bachubhai Kanparia	0.01	0.03	0.01	-
Maheshkumar Balubhai Joshi	-	0.02	-	-
Bhaveshkumar Jayantibhai Ponkiya	0.01	0.01	-	-
Amisha Fenil Shah	0.01	0.01	-	-
<b>Loan Taken:</b>				
Rameshbhai Ravajibhai Talavia	0.58	18.44	2.50	15.55
Jamankumar Hansarajbhai Talavia	0.60	13.22	2.10	10.61
Vishal Domadia		0.80	-	-
Jagdishbhai Ravajibhai Savaliya	0.40	-	-	-
Manjulaben Rameshbhai Talavia		13.55	1.20	3.00
Muktaben Jamankumar Talavia		3.70	1.89	4.50

<b>Loan Repaid:</b>				
Rameshbhai Ravajibhai Talavia	0.07	0.43	0.12	53.49
Jamankumar Hansarajbhai Talavia	0.04	0.59	0.07	47.80
Vishal Domadia	0.02	2.18	0.55	24.22
Jagdishbhai Ravjibhai Savaliya	0.02	0.15	0.18	11.80
Manjulaben Rameshbhai Talavia	0.05	0.31	0.08	17.18
Muktaben Jamankumar Talavia	0.02	0.05	0.09	15.44
<b>Remuneration/Reimbursement of expenses Payable:</b>				
Rameshbhai Ravajibhai Talavia	0.28	0.17	0.09	0.02
Jamankumar Hansarajbhai Talavia	0.35	0.20	0.10	0.01
Vishal Domadia	0.30	0.17	0.07	0.01
Jagdishbhai Ravjibhai Savaliya	0.18	0.13	0.07	0.01
Priyanka Choubey	-	-	0.02	-
Malvika Bhadreshbhai Kapasi	0.03	0.03	-	-
<b>Loan Outstanding:</b>				
Rameshbhai Ravajibhai Talavia	25.45	24.28	4.90	2.14
Jamankumar Hansarajbhai Talavia	17.33	16.32	2.81	0.56
Vishal Domadia	6.99	6.83	7.63	7.45
Jagdishbhai Ravjibhai Savaliya	6.79	6.23	5.90	5.52
Manjulaben Rameshbhai Talavia	17.73	17.32	3.08	1.70
Muktaben Jamankumar Talavia	7.56	7.38	3.23	1.15
<b>b) Enterprise over which key</b>	<b>As at July 31, 2022</b>	<b>Fiscal 2022</b>	<b>Fiscal 2021</b>	<b>Fiscal 2020</b>
<b>Donation:</b>				
Dharmaj Foundation	0.12	3.35	1.71	-
<b>c) Entity having Significant Influence</b>	<b>As at July 31, 2022</b>	<b>Fiscal 2022</b>	<b>Fiscal 2021</b>	<b>Fiscal 2020</b>
<b>Investment:</b>				
Khetipoint Private Limited	-	4.89	-	-

37 **Derivative Instruments and Unhedged / Hedge / Swap Foreign Currency (FC) Exposure** (Amount in USD Millions)

Particulars	Currency	July 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Details on unhedged foreign currency exposures</b>					
Trade Receivable	USD		-	-	-
<b>Details on hedged foreign currency exposures</b>					
Trade Receivable	USD	0.51	0.84	1.12	1.28

38 **Financial Instruments**

A **Calculation of Fair value**

The fair value of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions are used to estimate the fair values of financial instruments:

- i The fair value of the long-term borrowing carrying floating-rate of interest is not impacted due to interest rate charges and will not be significantly different from their carrying amount as there is no significant change in the under-lying credit risk of the group.
- ii The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instrument.

B The carrying value and fair value of financial instruments by categories is as follows:

(Amount in INR Millions)

Particulars	Carrying amount				Fair value			
	As at July 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at July 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
<b>Financial assets at amortized cost:</b>								
Investment	4.89	4.89	-	-	4.89	4.89	-	-
Trade receivables	1,455.30	859.82	361.82	333.29	1,455.30	859.82	361.82	333.29
Loans and advances	0.76	0.76	0.71	0.45	0.76	0.76	0.71	0.45
Other Financial Asset	5.61	11.41	11.05	10.52	5.61	11.41	11.05	10.52
Cash and bank balances	9.45	9.52	9.53	2.99	9.45	9.52	9.53	2.99
<b>Total Financial Assets</b>	<b>1,476.02</b>	<b>886.41</b>	<b>383.11</b>	<b>347.26</b>	<b>1,476.02</b>	<b>886.41</b>	<b>383.11</b>	<b>347.26</b>
<b>Financial liabilities at amortized cost:</b>								
Borrowings	515.61	369.28	269.23	201.77	515.61	369.28	269.23	201.77
Trade payables	1,410.74	913.70	391.27	332.04	1,410.74	913.70	391.27	332.04
Other financial liabilities	0.91	0.67	0.49	0.05	0.91	0.67	0.49	0.05
<b>Total Financial Liability</b>	<b>1,927.26</b>	<b>1,283.65</b>	<b>660.99</b>	<b>533.87</b>	<b>1,927.26</b>	<b>1,283.65</b>	<b>660.99</b>	<b>533.87</b>

C Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

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 asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

i) Recognised and measure at fair value

There is no outstanding financial instrument as on July 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 which are measured at fair value.

ii) Measure at amortized cost for which fair value is disclosed.

The Company has determined fair value of all its financial instruments measured at amortized cost by using Level 3 inputs.

iii) The following methods and assumptions were used to estimate the fair values:

1) Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

2) The fair value of loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model, Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

39 Financial Risk Management

Financial Risk Management Objectives And Policies

The Company is exposed to various financial risks arising from its underlying operations and financial activities. The Company is primarily exposed to market risk (i.e. interest rate and foreign currency risk), credit risk and liquidity risk. The Company's Corporate Treasury function plays the role of monitoring financial risk arising from business operations and financing activities.

Financial risk management, which includes foreign currency risk, interest rate risk, credit and liquidity risk are very closely monitored by the senior management and the Board of Directors. The Company's policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long term debt. Compliance with the policies and guidelines is managed by the senior management and directors. The objective of financial risk management is to manage and control financial risk exposures within acceptable parameters, while optimising the return.

The Company manages its market risk exposures by using specific type of financial instruments duly approved by the Board of Directors as and when deemed appropriate. The Company reviews and approves policies for managing each of the above risk.

i) **Business / Market Risk**

Market risk is the risk arising out of the fluctuations in fair value of future cash flows of a financial instrument because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk includes loans and borrowings, deposits, investments and derivative financial instruments. The Company enters into the derivative contracts as approved by the Board to manage its exposure to interest rate risk and foreign currency risk, from time to time.

ii) **Foreign currency risk**

Foreign currency risk also known as Exchange Currency Risk is the risk arising out of fluctuation in the fair value or future cash flows of an exposure because of changes in foreign exchange rates. Foreign currency risk in the Company is attributable to company's operating activities and financing activities. In the operating activities, the Company's exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). The Company manages the exposure based on a duly approved policy by the Board, which is reviewed by Board of Directors on periodic basis. This foreign currency risk exposure of the Company is mainly in U.S. Dollar (USD).

Foreign currency exposure		April to July 2022		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
		FC* (In Millions)	Rs. (In Millions)	FC* (In Millions)	Rs. (In Millions)	FC* (In Millions)	Rs. (In Millions)	FC* (In Millions)	Rs. (In Millions)
Bank Balance	USD	0.0018	0.1424	0.0018	0.1348	0.0009	0.0634	0.0012	0.0889
Bank Balance	AED	0.0008	0.0163	0.0008	0.0156	-	-	-	-
Trade Receivable	USD	0.51	40.74	0.84	63.83	1.12	82.49	1.28	93.43

\* FC = Foreign currency

Refer Note: 37 for hedge and Unhedged towards foreign currency exposures.

**Foreign currency sensitivity**

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

1 % increase or decrease in foreign exchange rates will have the following impact on profit before tax.

Increase/(decrease) in profit or loss	April to July 2022		2021-22		2020-21		2019-20	
	1 % Increase	1 % decrease	1 % Increase	1 % decrease	1 % Increase	1 % decrease	1 % Increase	1 % decrease
USD	0.41	(0.41)	0.64	(0.64)	0.83	(0.83)	0.94	(0.94)

The Company's exposure in foreign currency is not material and hence the impact of any significant fluctuation in the exchange rates is not expected to have a material impact on the operating profits of the Company.

**Derivative financial instruments**

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in inactive markets or inputs that are directly or indirectly observable in the market place.

iii) **Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. the Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables are typically unsecured and are derived from revenue earned from customer. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account a continuing credit evaluation of the Company customers' financial condition; ageing of trade accounts receivable and the Company's historical loss experience.

Credit risk from balances with banks and financial institutions is managed by the Company's Corporate Treasury function in accordance with the Company's policy. Investments of surplus funds are made only with counter parties who meet the parameters specified in Investment Policy of the Company. The investment policy is reviewed by the Company's Board of Directors on periodic basis and if required, the same may be updated during the year. The investment policy specifies the limits of investment in various categories of products so as the minimize the concentration of risks and therefore mitigate financial loss due to counter party's potential failure.

Particulars	As at July 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Trade receivables	1,455.30	859.82	361.82	333.29

( Note: 4)

Other than financial assets mentioned above, none of the Company's financial assets are either impaired or past due. There were no indications that there would be defaults in payment obligations.

iv) **Interest rate risk**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Companies profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ Decrease in basis points	(Amount in INR Millions)
		Effects on Profit before tax.
July 31, 2022	Plus 100 basis point	5.16
	Minus 100 basis points	(5.16)
March 31, 2022	Plus 100 basis point	3.69
	Minus 100 basis points	(3.69)
March 31, 2021	Plus 100 basis point	2.69
	Minus 100 basis points	(2.69)
March 31, 2020	Plus 100 basis point	2.02
	Minus 100 basis points	(2.02)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

vi) **Liquidity risk**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the years ended March 31, 2021. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable liquid debt investments with appropriate maturities to optimise the returns on investments while ensuring sufficient liquidity to meet its liabilities.

**Maturity profile of financial liabilities**

The table below analyse the Company's financial liabilities into relevant maturity based on their contractual maturities

As at 31.07.2022	(Amount in INR Millions)			
	Less than 1 year	1 to 5 years	More than 5 years	Total
Long term Borrowing	45.73	164.05	200.48	410.25
Short term borrowings	105.36	-	-	105.36
Trade payables	1,410.74	-	-	1,410.74
Other financial liabilities	0.91	-	-	0.91
<b>Total</b>	<b>1,562.74</b>	<b>164.05</b>	<b>200.48</b>	<b>1,927.26</b>
<b>As at 31.03.2022</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Long term Borrowing	43.53	123.76	129.40	296.69
Short term borrowings	72.59	-	-	72.59
Trade payables	913.70	-	-	913.70
Other financial liabilities	0.67	-	-	0.67
<b>Total</b>	<b>1,030.49</b>	<b>123.76</b>	<b>129.40</b>	<b>1,283.65</b>
<b>As at 31.03.2021</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Long term Borrowing	49.52	124.80	27.65	201.97
Short term borrowings	67.26	-	-	67.26
Trade payables	391.27	-	-	391.27
Other financial liabilities	0.49	-	-	0.49
<b>Total</b>	<b>508.54</b>	<b>124.80</b>	<b>27.65</b>	<b>660.99</b>
<b>As at 31.03.2020</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Long term Borrowing	18.24	32.71	18.52	69.47
Short term borrowings	132.31	-	-	132.31
Trade payables	332.04	-	-	332.04
Other financial liabilities	0.05	-	-	0.05
<b>Total</b>	<b>482.64</b>	<b>32.71</b>	<b>18.52</b>	<b>533.87</b>

**40 Capital Management**

For the purpose of the company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. 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 Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The gearing ratio in the infrastructure business is generally high. The company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	(Amount in INR Millions)			
	July 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Gross Debt	515.61	369.28	269.23	201.77
Less: Cash and Cash Equivalent	9.45	9.52	9.53	2.99
Net debt (A)	506.16	359.76	259.70	198.78
Total Equity (B)	1,032.56	849.18	563.44	354.29
Gearing ratio (A/B)	0.49	0.42	0.46	0.56

**41 Additional Regulatory Information ( as per the Schedule III requirements)****i) Title deeds of Immovable Properties not held in name of the Company**

No such assets held by the company as on period end July 31, 2022, March 31, 2022, March 31, 2021 and March 31,2020.

**ii) Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties**

There is no Loans or advances granted to the Promoters, directors, KMP and the relative of their during the period July 2022, March 2022, March 2021 and March 2020.

**iii) Details of Benami Property held**

No such assets held by the company as on period end July 31, 2022, March 31, 2022, March 31, 2021 and March 31,2020.

**iv) Registration of charges with Registrar of Companies**

Company has register all it's charges within time or extended time period given in the companies act, 2013.

**v) Utilisation of Borrowed funds and share premium**

A) The company have not advanced or loaned or invested funds to any other person(s) or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(1) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(2) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B) The company have not received any fund from any person(s) or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(1) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(2) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

**vi) Relationship with Struck off Companies**

The company does not have any transactions with struck off companies.

**vii) Wilful Defaulter**

The company is not declared as wilful defaulter by any bank or financial Institution or other lender.

**viii) Compliance with approved Scheme(s) of Arrangements**

There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237of the Companies Act, 2013



ix) Ratios Particulars	(Amount in INR Millions)			
	Jul-22	Mar-22	Mar-21	Mar-20
<b>(a) Current Ratio = Current Assets divided by Current Liability</b>				
<b>Current Ratio (Times)</b>	<b>1.43</b>	<b>1.44</b>	<b>1.50</b>	<b>1.22</b>
Current Assets	2,327.31	1,537.95	830.33	616.80
Current Liability	1,626.44	1,066.62	552.29	506.13
% Change from previous period / year	-0.76%	-4.09%	23.37%	
<b>(b) Debt Equity ratio = Debt divided by Shareholder's equity where debt refers to sum of current &amp; non current borrowings</b>				
<b>Debt Equity Ratio (Times)</b>	<b>0.50</b>	<b>0.43</b>	<b>0.48</b>	<b>0.57</b>
Debts	515.61	369.28	269.23	201.77
Shareholder's equity	1,032.56	849.18	563.44	354.29
% Change from previous period / year	14.83%	-8.99%	-16.10%	
<b>(c) Debt Service Coverage Ratio (DSCR) = Earnings available for debt services divided by Total interest and principal repayments</b>				
<b>Debt Service Coverage ( In times)</b>	<b>14.87</b>	<b>7.31</b>	<b>11.30</b>	<b>8.79</b>
(Net Profit + Depreciation + Interest on long term loans)	265.40	448.29	311.70	169.43
Total amount of interest & principal of long term loan payable or paid during the year	17.84	61.36	27.58	19.28
% Change from previous period / year	103.58%	-35.36%	28.65%	
Reason for variance above 25% : Decrease in Debt service coverage ratio on account of increase in principal repayments due to new loans obtained during the year				
Reason for variance above 25% : Increase in ratio is due to increase in profitability and repayment of term loan				
<b>(d) Return on Equity Ratio = Net profit after tax divided by Shareholder's Equity less Misc Expenses</b>				
<b>Return on Equity Ratio (%)</b>	<b>18.15%</b>	<b>34.64%</b>	<b>37.33%</b>	<b>30.55%</b>
PAT	183.59	286.90	209.60	107.59
Shareholder's Equity less Misc Expenses	1,011.67	828.15	561.44	352.15
% Change from previous period / year	-47.62%	-7.20%	22.20%	
Reason for variance above 25% : Decrease in ratio is due to increase in shareholder equity as promotor as brought additional fund as well				
<b>(e) Inventory Turnover Ratio = Cost of goods sold divided by Average Inventory</b>				
<b>Inventory turnover ratio (In times)</b>	<b>4.25</b>	<b>11.48</b>	<b>14.24</b>	<b>15.94</b>
COGS	1,799.59	3,142.77	2,394.05	1,553.67
Average Inventory	423.64	273.72	168.18	97.48
% Change from previous period / year	-63.00%	-19.34%	-10.69%	
Reason for variance above 25% : Decrease in ratio is due to increase in finished stock and work in progress since rainy season started early				
<b>(f) Trade receivables turnover ratio = Net Credit Sales divided by Average Trade Receivables</b>				
<b>Trade Receivables turnover ratio (In times)</b>	<b>1.62</b>	<b>5.20</b>	<b>5.94</b>	<b>6.77</b>
Net Credit Sales	1,873.13	3,175.34	2,065.05	1,703.18
Average Trade Receivable	1,157.56	610.82	347.56	251.46
% Change from previous period / year	-68.87%	-12.51%	-12.28%	
Reason for variance above 25% : Decrease in in ratio is due to increase in institutional sales on credit basis and hence debtors has also been increase				
<b>(g) Trade payables turnover ratio = Net Credit purchase divided by Average Trade payables</b>				
<b>Trade payables turnover ratio (In times)</b>	<b>1.43</b>	<b>3.69</b>	<b>4.15</b>	<b>5.66</b>
Net Credit Purchase	1,658.99	2,404.57	1,502	1,304
Average Trade Payable	1,162.22	652.48	361.66	230.49
% Change from previous period / year	-61.27%	-11.29%	-26.58%	
Reason for variance above 25% : decrease in ratio is due to increase in credit purchase and consumption to meet the production requirement				

(h) **Net capital Turnover Ratio = Revenue from Operations divided by Net Assets whereas net assets= Net PPE + current assets - current liabilities**

<b>Net capital turnover ratio (in times)</b>	<b>1.59</b>	<b>3.76</b>	<b>4.44</b>	<b>5.63</b>
Revenue from Operations	2,209.40	3,942.08	3,024.10	1,982.22
Net Assets (Net PPE+Net Current Assets)	1,390.53	1,048.42	680.37	351.99
% Change from previous period / year	-57.74%	-15.41%	-21.07%	

Reason for variance above 25% : decrease in ratio is due to increase in fixed assets as company is starting new production facility

(i) **Net profit ratio = Net profit after tax divided by Revenue from operations**

<b>Net profit ratio ( In %)</b>	<b>8.31%</b>	<b>7.28%</b>	<b>6.93%</b>	<b>5.43%</b>
PAT	183.59	286.90	209.60	107.59
Revenue from Operations	2,209.40	3,942.08	3,024.10	1,982.22
% Change from previous period / year	14.18%	5.00%	27.70%	

Reason for variance above 25% : Increase in ratio is due to increase in profit by achieving higher sales at existing facility

(j) **Return on Capital employed = Earning before interest & tax divided by Total assets less current liability excluding short term borrowings**

<b>Return on Capital employed</b>	<b>15.96%</b>	<b>32.87%</b>	<b>34.50%</b>	<b>28.76%</b>
EBIT	252.50	409.18	294.37	164.01
Total Assets - Current Liability excluding short term borrowings	1,582.29	1,244.96	853.20	570.25
% Change from previous period / year	-51.45%	-4.74%	19.96%	

Reason for variance above 25% : Decrease in ratio is due to increase in fixed assets since company has started expansion at new facility

(k) **Return on investment = Net Income on Investment divided by Net Investment**

<b>Return on investment</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
Net Income on Investment	0	0	0	0
Net Investment	4.89	4.89	0	0
% Change from previous period / year	0.00%	0.00%	0.00%	

#### **42 Significant Accounting Judgements, Estimates And Assumptions**

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures 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 periods .

##### **(\*) Judgements**

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the separate financial statements.

##### **(\*) Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

##### **(\*) Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation 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 reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

##### **(\*) Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting 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 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.

**43** The Balance Sheet, Statement of Profit and Loss, Cash flow statement, Statement of Changes in Equity, Statement of Significant Accounting Policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended July 31, 2022, March 31, 2022, March 31, 2021, March 31, 2020.

#### **44 Impact of Covid**

The company has considered the impact of COVID 19 in preparation of the financial information. In this process, the company has taken into account changes in both internal and external factors affecting the business and assets of the company. Based on the judgments, and prudent estimates, the company is confident of recovering the carrying value in full of trade receivables and other assets of the company. The actual impact of the pandemic could be different from the estimates

#### 45 First Time adoption of Ind AS

These restated Ind AS financial statements, for the period ended March 31, 2022, are the first financial statements prepared in accordance with Ind AS. For years up to and including the year ended March 31, 2021, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read with paragraph 7 of the Companies (Accounts) Rules, 2014 ("IGAAP" or "Previous GAAP")

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for period ending on March 31, 2022, together with comparative period data as at and for the years ending on March 31, 2021, March 31, 2020 and March 31, 2019, as described in the Basis of Preparation and Summary of Significant Accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2018, being the Company's date of transition to Ind AS.

The restated financial statements for the years ended March 31, 2020 and March 31, 2019 were prepared in accordance with Ind AS complying with the requirements of SEBI Circular dated March 31, 2016 and Guidance Note on Reports in Company Prospectuses issued by ICAI. For all the years the company has adopted the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on the transition date, i.e., April 1, 2018

This note explains exemptions availed by the Company in restating its previous GAAP financial statements, including the balance sheet as at April 1, 2018 and the financial statements as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019

##### **Exemptions Applied:**

#### 45.1 **Mandatory exceptions:**

##### **a) Estimates:**

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies. As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS). The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL and / or FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.

##### **b) Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the is impracticable

##### **c) Impairment of financial assets:**

At the date of transition to Ind AS, the Company has determined that there is no increase in credit risk since the initial recognition of a financial instrument

45.2 **Optional Exemptions:**

a) **Property, plant and equipment and Intangible Assets:**

As per Ind AS 101, an entity may elect to:

i Measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date; or

ii Use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:

- Fair Value

Or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index

The election under (i) and (ii), above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market); or

iii Use carrying values of properties, plant and equipment, and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities, if any, prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment and intangible assets, wherever they fulfil the eligibility criteria.

46 Figures for the period ended July 31, 2022 in the Statement of Profit and Loss, Statement of Changes in Equity, Statement of Cash flows and the respective notes are for the period of Four months (April 01, 2022 to July 31, 2022), whereas the details in said statements and notes for the other years presented are for 12 months. To this extent, figures reported for period ended July 31, 2022 are not comparable with other year figures

**For KARMA & Co LLP**  
Chartered Accountants  
FRN.: 127544W/W100376

**For and on behalf of the Board of Directors**  
**DHARMAJ CROP GUARD LIMITED**  
CIN : U24100GJ2015PLC081941

CA Jignesh A Dhaduk  
Partner  
M.No. 129149  
UDIN : 22129149BCTFOC7349  
Place: Ahmedabad  
Dated: 10/11/2022

**Rameshbhai Ravajibhai Talavia**  
Chairman & Managing Director  
DIN – 01619743

**Jamanbhai Hansarajbhai Talavia**  
Director  
DIN – 01525356

**Vishal Domadia**  
Chief Financial Officer

**Malvika Bhadreshbhai Kapasi**  
Company Secretary  
A52602

**Annexure IX - Restated Statement of Accounting Ratios**

Particulars	April to July 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
EBITDA (In INR Millions)	268.53	461.90	320.38	185.77
EBITDA Margin (%)	12.15	11.72	10.59	9.37
Basic & diluted earnings per share (in INR)	7.44	11.62	8.49	5.75
Return on Net Worth ( in Percentage)	18.15	34.64	37.33	30.55
Net Asset Value per equity share (in INR)	40.99	33.55	22.75	18.82
Net Profit after tax as restated attributable to equity shareholders (In INR Millions)	183.59	286.90	209.60	107.59
Net Worth at the end of the year (In INR Millions)	1,011.67	828.15	561.44	352.15
Weighted Average no of shares	2,46,83,372	2,46,83,372	2,46,83,372	1,87,13,992

**Notes:-**

- 1 Basic EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average no. of equity shares outstanding during the year/ period (For FY 2020-2021 & 2019-2020, as adjusted for change in capital due to issue of bonus shares made by the Company on November 27, 2021, July 13, 2019 and May 11, 2019)
- 2 Dilted EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average no. of equity shares outstanding during the year/ period (For FY 2020-2021 & 2019-2020, as adjusted for change in capital due to issue of bonus shares made by the Company on November 27, 2021, July 13, 2019 and May 11, 2019)
- 3 Return on Net Worth (%) = Net Profit after tax, as restated for the end of the year/ period divided by Net worth as at the end of the year/period
- 4 Net Asset Value per share = Net Worth at the end of the year/period divided by total number of equity shares outstanding at the end of year/ period (For FY 2020-2021 & 2019-2020, as adjusted for change in capital due to issue of bonus shares made by the Company on November 27, 2021, July 13, 2019 and May 11, 2019)
- 5 EBITDA: Aggregate of restated profit/(loss) before tax, interest cost, depreciation and amortisation
- 6 We calculate EBITDA Margin as EBITDA divided by Revenue from operations.
- 7 Weighted average number of shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of shares issued during the period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.
- 8 Net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, , after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation

**For K A R M A & Co LLP**

Chartered Accountants  
FRN.: 127544W/W100376

**For and on behalf of the Board of Directors**

**DHARMAJ CROP GUARD LIMITED**  
**CIN : U24100GJ2015PLC081941**

**CA Jignesh A Dhaduk**

Partner  
M.No. 129149  
UDIN : 22129149BCTFOC7349  
Place: Ahmedabad  
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**Rameshbhai Ravajibhai Talavia**

Chairman & Managing Director  
DIN – 01619743

**Jamanbhai Hansarajbhai Talavia**

Director  
DIN – 01525356

**Vishal Domadia**  
Chief Financial Officer

**Malvika Bhadreshbhai Kapasi**  
Company Secretary  
A52602

## OTHER FINANCIAL INFORMATION

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company as at and for the year ended March 31, 2022, March 31, 2021, and March 31, 2020 and the reports thereon dated September 21, 2022, August 7, 2021 and November 7, 2020, respectively (“**Audited Financial Statements**”) are available at <https://www.dharmajcrop.com/material-contracts-documents/>.

Our Company is providing a link to this website solely to comply with the requirements specified under the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world.

The Audited Financial Statements should not be considered as part of information that any investor should consider to for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the “**Group**”) and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any Book Running Lead Managers or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	As on/ for four months period ended July 31, 2022*	As on/ for Fiscal 2022	As on/ for Fiscal 2021	As on/ for Fiscal 2020
Basic Earnings/ (loss) per Equity Shares (in ₹)	7.44	11.62	8.49	5.75
Diluted Earnings/ (loss) per Equity Shares (in ₹)	7.44	11.62	8.49	5.75
Return on Net Worth (%)	18.15	34.64	37.33	30.55
Net Asset Value Per Equity Share (₹)	40.99	33.55	22.75	18.82
Earnings before interest, tax, depreciation and amortization (EBITDA) (Rs. in million)	268.53	461.90	320.38	185.77

\* Not Annualised

The ratios have been computed as under:

1. *Basic EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average no. of equity shares outstanding during the year/ period*
2. *Diluted EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average no. of equity shares outstanding during the year/ period*
3. *Return on Net Worth (%) = Net Profit after tax, as restated for the end of the year/ period divided by Net worth as at the end of the year/period*
4. *Net Asset Value per share = Net Worth at the end of the year/period divided by total number of equity shares outstanding at the end of year/ period*
5. *EBITDA: Aggregate of restated profit/(loss) before tax, interest cost, depreciation and amortization*
6. *We calculate EBITDA Margin as EBITDA divided by Revenue from operations*
7. *Weighted average number of shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of shares issued during the period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.*
8. *Net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation*

## CAPITALISATION STATEMENT

The following table sets forth our capitalisation as at July 31, 2022, on the basis of our Restated Financial Information, and as adjusted for the proposed Offer. This table should be read in conjunction with “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Financial Statements*” and “*Risk Factors*” beginning on pages 274, 218 and 31, respectively.

Particulars	Pre-Offer as at July 31, 2022	Adjusted for the post- Offer*
<i>(in ₹ million, except ratios)</i>		
<b>Borrowings</b>		
Current Borrowings	151.09	[●]
Non-current borrowings (excluding lease liabilities) (A)	364.52	[●]
<b>Total Borrowings (B)</b>	515.61	[●]
<b>Shareholders’ Fund</b>		
Equity Share Capital	246.83	[●]
Other Equity	785.73	[●]
<b>Total Shareholders’ Fund (C)</b>	1,032.56	[●]
<b>Debt/Equity Ratio (B/C)</b>	0.50	[●]

These terms shall carry the meaning as per Schedule III of the Companies Act, 2013.

\*Post-Issue Capitalisation will be determined after finalisation of Issue Price.

*Notes:*

- (i) *The above has been computed on the basis of the Restated Financial Information*
- (ii) *The corresponding post-Issue capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.*



## FINANCIAL INDEBTEDNESS

Our Company avails loans and facilities in the ordinary course of its business for meeting our working capital, capital expenditure and other business requirements. For details of the borrowing powers of our Board, see “*Our Management – Borrowing Powers*” on page 194.

Our Company has obtained the necessary consents required under the relevant financing documentation for undertaking activities in relation to the Offer, including dilution of the current shareholding of the Promoters and members of the Promoter group, expansion of business of the Company, effecting changes in the Company’s management including key managerial personnel, ownership capital structure, shareholding pattern, constitutional documents and Board’s composition.

The details of the indebtedness of our Company as on September 30, 2022 is provided below:

<i>(in ₹ million unless otherwise stated)</i>		
Category of borrowing	Sanctioned amount	Outstanding amount
<b><i>Secured</i></b>		
Working Capital Facilities		
- Fund Based	327.50	143.22
- Non Fund Based	98.50	-
Term loan from banks	1,172.70	431.03
<b>Total Secured Borrowings (A)</b>	<b>1,598.70</b>	<b>574.25</b>
<b><i>Unsecured</i></b>		
Rameshbhai Ravajibhai Talavia	25.45	25.45
Jamankumar Hansarajbhai Talavia	17.33	17.33
Jagdishbhai Ravajibhai Savaliya	6.79	6.79
Vishal Domadia	6.99	6.99
Manjulaben Rameshbhai Talavia	17.73	17.73
Muktaben Jamankumar Talavia	7.56	7.56
<b>Total Unsecured Borrowing (B)</b>	<b>81.84</b>	<b>81.84</b>
<b>Total Borrowing (A+B)</b>	<b>1,680.54</b>	<b>656.09</b>

For further details of our outstanding borrowings as on September 30, 2022, see “*Financial Statements*” on page 218.

### Principle terms of the borrowings availed by us

The details provided below are indicative and there may be additional terms, conditions and requirements under the various financial documentation executed by us in relation to our indebtedness.

1. **Interest:** In terms of facilities availed by us, the interest rate is typically the base rate of a specified lender and spread per annum. The spreads are different for different facilities. In terms of the borrowings availed by us, the interest rate is typically dependent on the guidelines of RBI and lenders and ranges upto 10% per annum either on a floating rate or linked to base rate, as specified by respective lenders.
2. **Tenor:** The tenor of the borrowings availed by us ranges from 60 months to 120 months before being considered for renewal.
3. **Security:** Under our financing arrangements for secured borrowings, we are typically required to create security by way of, among others, hypothecation of plant and machinery, stock and book debts and other movable, fixed assets and current assets of our Company both present and future, equitable mortgage on immovable assets of our Company, against which the relevant loan facility has been availed, deposits in the name of our Company, corporate guarantees and personal guarantees of some of our Promoters or Directors. Further, there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.
4. **Default Interest:** The terms of certain financing facilities availed by our Company prescribe penalties for non-compliance of certain obligations by our Company. These include, *inter alia*, overdues/ delays/ default in payment of monies. Further, the default interest payable on the facilities availed by us is typically 2% per

annum.

5. **Prepayment:** The terms of facilities availed by us typically have prepayment provisions which allow for prepayment of the outstanding loan amount on giving notice to the concerned lender, subject to such prepayment penalties as laid down in the facility agreements. The prepayment premium for the facilities availed by us, where specified, is typically 4% of the principal amount being prepaid.
6. **Re-payment:** The facilities availed by us are typically repayable on their respective due dates within the maximum tenure or in structured monthly instalments.
7. **Events of Default:** Borrowing arrangements entered into by us contain standard events of default, including:
  - a. If any of the representations or statements or particulars are found to be incorrect or our Company commits any breach of terms and/or conditions under the agreement.
  - b. If there is any deterioration or impairment of the secured assets or any part thereof or any decline or depreciation in the value or market price thereof (whether actual or reasonably anticipated) which causes the security in the judgment of the Bank to become unsatisfactory as to character or value.
  - c. If any attachment, distress, execution or other process, against our Company/ assets/bank accounts or any of the secured assets is threatened, enforced or levied upon by any person.
  - d. The death, insolvency, winding up, failure in business, commission of an act of bankruptcy, general assignment for the benefit of creditors, suspension of payments to any creditors or threats to do so, filing of any petition of bankruptcy, by or against our Company under the Insolvency and Bankruptcy Code, 2016 or a threat to do so or the death of any guarantor.
  - e. If the receiver is appointed in respect of the whole or any part of the property/assets of our Company.
  - f. If our Company ceases or threatens to cease to carry on business.
  - g. If it is certified by an accountant or a firm of accountants appointed by the Bank that the liabilities of our Company exceed our Company's assets or our Company is carrying on business at a loss.
  - h. If our Company, without the prior written consent of the bank, attempts or purports to create any charge, mortgage, pledge, hypothecation, lien or other encumbrance over the borrower's property or any part thereof which is or shall be the security for the said dues of our Company to the bank.
  - i. Upon the happening of any substantial change in the constitution or management of our Company without previous written consent of the bank, or upon our Company or the management of our Company ceasing to enjoy the confidence of the bank.
  - j. Any default by our Company under any other agreement between our Company and/or guarantor and any other third party.
  - k. Non-adherence by our Company to financial ratios, parameters, financial covenants, as stipulated by the bank from time to time.
8. **Restrictive Covenants:** Certain borrowing arrangements entered into by us contain restrictive covenants which requires us to take prior written consent of the respective lender before undertaking certain activities, including:
  - a. Effect any change in the capital structure or shareholding patten, or effect any change in the management set-up or ownership interest structure where the shareholding of the existing shareholders or capital control or ownership interest of the partners, including the managing partners, directly or indirectly, legally or beneficially, get diluted below the current level.
  - b. Undertake any new project, expansion of business, diversification or capital expenditure or acquired fixed assets
  - c. Change the practice with respect to remuneration paid by Directors by means of ordinary, remuneration or commission, scale of sitting fees, etc except where required under legal provisions.
  - d. Approach capital market for mobilizing additional resources in the form of debt or equity.
  - e. Grant any loan or credit (except in the course of ordinary business) to any other person or entity.
  - f. Undertake any trading activity other than for products arising out of its own manufacturing operations.

The details of events of default and restrictive covenants provided above are indicative and there may be additional terms that may amount to an event of default and/ or constitute a restrictive covenant under the various borrowing arrangements entered into by us.

For further details of financial and other covenants required to be complied with in relation to our borrowings, see

*“Risk Factors – Our lenders have imposed certain restrictive conditions on us under our financing arrangements. This may limit our ability to pursue our business and limit our flexibility in planning for, or reacting to, changes in our business or industry” on page 38.*

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with our Restated Financial Statements for four months period ended July 31, 2022 and for the years ended March 31, 2022, 2021 and 2020, including the related notes, schedules and annexures. Our Restated Financial Statements have been prepared under Indian Accounting Standards (“Ind AS”), the Companies Act, the SEBI ICDR Regulations and “Guidance Note on Reports in Company Prospectus (Revised 2019)” issued by the ICAI. Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on our Restated Financial Statements for four months period ended July 31, 2022 and for the years ended March 31, 2022, 2021 and 2020 and included in this Red Herring Prospectus. For further information, see “Financial Statements” on page 218. Our financial year ends on March 31, therefore, all references to a particular Fiscal are to the 12-month period ended March 31 of that year.*

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 20 for a discussion of the risks and uncertainties related to such statements and also “Risk Factors” on page 31 for a discussion of certain factors that may affect our business, financial condition and results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements.*

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, including, in particular, the report “Report on Pesticides Industry” dated October 2022 (the “Company Commissioned CareEdge Report”) prepared and issued by CARE Advisory Research and Training Limited. For further information, see “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation” on page 17.*

### OVERVIEW

We are an agrochemical company engaged in the business of manufacturing, distributing, and marketing of a wide range of agro chemical formulations such as insecticides, fungicides, herbicides, plant growth regulator, micro fertilizers and antibiotic to the B2C and B2B customers. We also engage in the marketing and distribution of agrochemical products under brands in-licensed by us, owned by us and through generic brands, to Indian farmers through our distribution network. We provide crop protection solutions to the farmer to assist them to maximize productivity and profitability. We export our products to more than 25 countries in Latin America, East African Countries, Middle East and Far East Asia. We sell our agrochemical products in granules, powder and liquid forms our customers. Additionally, we manufacture and sell general insect and pest control chemicals for Public Health and Animal Health protection.

With an aim to offer a wide product portfolio across the agri-value chain, we continue to expand our product portfolio by introducing new products. We manufacture and sell various formulations of insecticides, fungicide and herbicides, plant growth regulators, micro fertilizers and antibiotics. As on the date of this Red Herring Prospectus, we have obtained 464 registrations for agrochemical formulations from the CIB&RC, out of which 269 agrochemical formulations are for sale in India as well as for export and 195 agrochemical formulations are exclusively for exports. Additionally, we have also applied for registrations of 18 agrochemical formulations and 17 agrochemical technicals from the CIB&RC, which are pending at various stages.

We have 157 trademark registrations including our branded products. Our formulations are sold as branded products to customers. As of September 30, 2022, we had over 118 branded formulations that are sold to farmers. We sell bulk products to our institutional customers domestically and in the international markets. Further, as of September 30, 2022, we had more than 154 institutional products that we sold to more than 600 customers based in India and in the international markets. As of September 30, 2022, we exported our products to more than 66 customers across 25 countries.

We classify our product portfolio under the following categories:

- a. **Insecticides:** We manufacture a wide range of insecticides to suit the requirement of farmers in preventing and curating different crops from being damaged by insects. We develop effective, safe, and sustainable range of insecticides to help farmers and prevent the crops from damage. Certain of our top branded insecticides

products are Padgham, Lubrio, Nilayaan, Dahaad, Prudhar and Remora amongst others.

- b. **Fungicides:** We manufacture a wide range of fungicides that protect the crop from the diseases caused by pathogenic organisms. Fungicide is a specific type of pesticide that is responsible for controlling fungal diseases by inhibiting the fungal growth and killing the fungus. Certain of our top branded fungicides products are Gagandip, Sajaag, Lokraj, Rishmat and Kaviraj amongst others.
- c. **Herbicides:** Herbicides effectively eliminate weeds and thus reduce mechanical and manual weeding. It also prevents soil erosion and the wastage of resources, ensuring optimum consumption of the resources by the desired plants. Certain of our top branded herbicides products are Dharozar, Aatmaj, Rodular, Dharolik, Kohha, Kawayat Super and Sadavirum amongst others.
- d. **Plant growth regulator:** We also manufacture plant growth regulator which are also known as plant hormones and helps in increasing the crop yield and improving its quality. Certain of our top branded plant growth regulator products are Rujuta, Greenoka, and Stabilizer amongst others.
- e. **Micro Fertilizers:** In order to increase the production of crops and to make the soil more fertile, we manufacture micro fertilizers such as sulphur, zinc, boron and ferrous. Micro fertilizers are required for crops to reap the maximum yield from crops. Under this category we sell branded products such as Zeekasulf, Aakuko, Thandaj and Zusta amongst others.
- f. **Antibiotic:** Antibiotic is a major tool to treat the bacterial issues of plants and tree fruits. Antibiotic boost and develop immune system of plants. Under this category we sell brand product namely Retardo.

For a detailed description of brands, institutional and exports business, see “– *Our Business Operations*” on page 160.

Our manufacturing facility is located at Plot No. 408 to 411, Kerala GIDC Estate, Off NH-8, Kerala, Taluka Bavla, Ahmedabad - 382220, Gujarat, India. As of November 30, 2021, our aggregate installed capacity of our manufacturing facility for agro-chemical formulations was 25,500 MT. Our Company manufactured 7,577.21 MT of agrochemical formulations in Fiscal 2021. Our manufacturing facility are equipped with modern plant and machinery capable of producing quality agrochemical products and have received quality control certifications such as ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 for development and manufacturing of agrochemical formulations such as insecticides, herbicides, fungicides, micro fertilizers and plant growth regulators. We have installed a soil bio reactor at our manufacturing facility which is used to treat waste/ sewage water and to remove pollutants. We have also installed solar power panels at our manufacturing facility to generate green power in order to optimally use the electricity which is sourced from third party during the manufacturing process. The aggregate capacity of our installed solar power panels is 85,320 KW per annum which caters to our electricity requirements at our manufacturing facility and helps us to reduce our dependency on third party electricity requirements.

We have a research and development (“**R&D**”) centre at our manufacturing facility. We also have a quality control laboratory at our manufacturing facility, which primarily monitors the quality of our raw materials and finished goods. Further, our quality control laboratory has received certificate of accreditation from National Accreditation Board for Testing and Calibration Laboratories (“**NABL**”) which has assessed and accredited in accordance with the standard ISO/IEC 17025:2017.

As a part of our expansion plans and in order to achieve backward integration for our operations, we have also acquired around 33,489.73 sq. mtrs of land at Saykha Industrial Estate, Bharuch, Gujarat, India on leasehold basis for 99 years from GIDC to set up a manufacturing facility for Agrochemical Technicals and its intermediates which will be used for internal consumption as well as for sales in domestic and international market. We have already obtained registrations of 6 agrochemical technicals and have applied for registration of 17 agrochemical technicals from the CIB&RC, which will be manufactured in this new manufacturing facility. We have also obtained certain regulatory approvals such as environment clearance for our new manufacturing facility. Pursuant to the setup of this manufacturing facility, our profit margins on our products would resultantly increase due to backward integration. For further details, see “*Key Strategies – Enhance our manufacturing capabilities by introducing backward integration and expand our product portfolio – Our Business*” and “*Funding capital expenditure towards setting up of a manufacturing facility at Saykha, Bharuch, Gujarat – Objects of the Offer*” on page 158 and 100, respectively.

We have established an extensive, pan-India distribution network for our domestic branded products business. Our branded products are sold in 17 states through network comprising over 4,362 dealers having access to 16 stock depots in India supporting the distribution of our branded products, as of September 30, 2022. We also carry out institutional sales of agro chemical products across India and international markets. We participate in various international and domestic agrochemical exhibitions and industry conferences to market our products. We also educate farmers regarding the benefits of using our products by conducting farmer training programs such as field demonstrations, field shows, meetings with group of farmers, jeep campaigns and participating in village level programmes to establish direct relationship with farmer communities all over India.

Among our Promoters, Rameshbhai Ravajibhai Talavia who is our Managing Director, has over 28 years of experience in the agrochemical industry. Jamankumar Hansarajbhai Talavia, our Whole time Director, has over 22 years of experience in the agriculture industry. Jagdishbhai Ravajibhai Savaliya, our Whole time Director, has over 21 years of experience in the agriculture industry. Vishal Domadia who is our Chief Financial Officer has over 12 years of experience in the agriculture industry. Our management team is backed by a core technical team that has vast experience in manufacturing and also has the required technical know-how to manufacture the products which our Company is catering to. As of September 30, 2022, we had a total workforce of 314 and hire contract workers as and when required. For further details, see “*Our Management*” on page 189.

### ***Key Financial Information and Key Performance Indicators (KPIs)***

Our revenue from operations for Fiscals 2020, 2021 and 2022 and four months period ended on July 31, 2022 was ₹ 1,982.22 million, ₹ 3,024.10 million, ₹ 3,942.08 million and ₹ 2,209.40 million, respectively. Our EBITDA for Fiscals 2020, 2021 and 2022 and four months period ended on July 31, 2022 was ₹ 185.77 million, ₹ 320.38 million, ₹ 461.90 million and ₹ 268.53 million, respectively while our EBITDA margin was 9.37%, 10.59%, 11.72% and 12.15%, respectively, for similar periods. Our Profit After Tax was ₹ 107.59 million, ₹ 209.60 million, ₹ 286.90 million and ₹ 183.59 million for Fiscals 2020, 2021 and 2022 and four months period ended on July 31, 2022, respectively, while our Profit After Tax margin was 5.43%, 6.93%, 7.28% and 8.31%, respectively for similar periods. Our gross profit was ₹ 428.55 million, ₹ 630.05 million, ₹ 799.32 million and ₹ 409.81 million for Fiscals 2020, 2021 and 2022 and four months period ended on July 31, 2022, respectively while our gross margin was 21.62%, 20.83%, 20.28% and 18.55% for Fiscals 2020, 2021 and 2022 and four months period ended on July 31, 2022, respectively. From Fiscal 2020 to Fiscal 2022, our revenue from operations, EBITDA and profit for the year has grown at a CAGR of 41.02%, 57.68% and 63.30%, respectively. Our Return on Equity for Fiscals 2020, 2021 and 2022 and four months period ended on July 31, 2022, was 30.55%, 37.33%, 34.64% and 18.15%, respectively.

### **FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

Our business, results of operations and financial condition are affected by a number of factors, some of which are beyond our control. This section sets out certain key factors that we believe have affected our business, results of operations and financial condition in the past or which we expect will affect our business, results of operations or financial condition in the future. For a detailed discussion of certain factors that may adversely affect our business, results of operations and financial condition, see “*Risk Factors*” beginning on page 31.

#### ***Cost and availability of raw materials.***

We are predominantly involved in the business of manufacturing, distributing, and marketing of a wide range of agro chemicals such as insecticides, fungicides, herbicides, plant growth regulator (“**PGR**”), micro fertilizers and antibiotic to B2C and B2B customers. Some of the raw materials we require for production of our products are chlorpyrifos technical, cypermethrin technical, carbendazim technical, mancozeb technical, glyphosate technical, paraquate dichloride technical, pendimethalin technical, profenofos technical, emulsifier - CMA (EX), emulsifier - CMN (EX), jeemol DW, solvent C9. During the four months period ended July 31, 2022 and Fiscals 2022, 2021 and 2020, the cost of materials consumed were ₹ 1,954.25 million, ₹ 3,206.69 million, ₹ 2,405.00 million and ₹ 1,566.53 million, respectively and accounted for 88.36%, 80.92%, 79.23% and 78.65% of our total income, respectively.

The availability and price of raw materials is subject to a number of factors beyond our control including overall climatic and economic conditions, production levels, supply demand and competition for such materials, production and transportation cost, taxes and duties, international relations, labour costs, labour unrest and natural disasters. Interruption in the supply of, raw materials may result in our inability to operate our production facilities at optimal capacities, leading to a decline in production and sales. In addition, while competition for procuring

raw material may result in an increase in raw material prices, our ability to pass on such increases in overall operational costs may be limited. Furthermore, any increase in the cost of raw materials which results in an increase in prices of our products, may reduce demand for our products and thereby affect our margins and profitability. Additionally, considering the shelf life of some of our raw materials, we are required to procure and warehouse such raw materials for our production activities. However, if such warehoused raw materials get spoilt, it may affect production levels, consequently impacting our results of operations and financial conditions.

### ***Product mix***

Our revenue and profit margins are impacted by our product mix. Our product offerings through sale of our products primarily include a wide variety products of under our 6 (six) categories i.e. insecticides, fungicides, herbicides, plant growth regulator, micro fertilizer and antibiotic. The success of our business depends upon our ability to identify emerging market trends and offer differentiated product offerings to our customers. According to the Company Commissioned CareEdge Report, the global pesticides industry is estimated to grow at a CAGR of around 1.6%-1.8% during the period 2022-2027 and is likely to reach approximately USD 75 billion by 2027. As we continue to increase our focus on growing our retail consumer business in India, we expect the relative proportion of revenue contribution from sales of our high margin products to increase in the future. While we believe that we are well placed to capitalize on the growing consumer demand for agrochemical products, however, if we are unable to continue and/or expand our product range, we may lose market share to our competitors and that may adversely impact our results of operations.

### ***Prices of our products***

The selling prices of our crop protection products such as insecticides, fungicides, herbicides, plant growth regulator, micro fertilizer and antibiotic, are primarily determined by their respective market demand and supply, the cost of raw materials and other costs of sales and governmental policies and regulations towards the crop protection industry in India. Due to the fragmented nature of the industry and the commoditized nature of crop production products, most producers are price takers with limited price variation due to brand name and product quality.

### ***Foreign currency fluctuation***

Our customer base currently comprises a number of multinational, regional and local companies, such as, AGROESA SRL and Sadik Agrochemicals Co. Ltd. In Fiscal 2022 and the four months ended July 31, 2022, revenue from operations from exports accounted for 9.85% and 3.71%, respectively, of our total revenue from operations in such periods. We have historically derived a significant portion of our revenues from operations from a limited number of markets, namely, Bangladesh, Uganda and Indonesia. As a result, our results of operations are influenced by exchange rate fluctuations between foreign currencies of the markets in which we sell our products and the Indian Rupee. Significant currency exchange rate fluctuations and currency devaluations could have an adverse effect on our results of operations. A fair portion of our sales are denominated in foreign currencies, principally U.S. dollars, and to an extent on other currencies applicable in the markets in which our products are sold.

As a consequence, we are exposed to currency rate fluctuations between the Indian Rupee and US dollars and other foreign currencies. We are exposed to exchange rate risk primarily due to payables in respect of our imported raw material and from receivables in respect of our exports, which are mainly denominated in foreign currencies. Any fluctuation in the value of the Indian Rupee against such currencies may adversely affect our results of operations. Devaluation of any of the foreign currencies against the Indian Rupee may result in reduction of our margins. Any gains or losses arising on account of differences in foreign exchange rates on settlement and translation of monetary assets and liabilities are recognized in the statement of profit and loss. We are currently hedging our foreign currency exposure by entering into foreign currency forward contracts with banks. If we are unable to effectively manage our foreign exchange risk, it could materially affect our business, financial condition and results of operations.

### ***Ability to obtain registrations and government approvals***

We continue to focus on seeking registrations and government approvals to increase our portfolio of products. With respect to any new registration and approvals, we invest time and money *inter alia* on identification of generic molecules, registration procedures and fees, trials, various marketing and distribution activities. The launch of a product depends upon our ability to obtain registration and approval in a timely manner or at all as

well as on other factors. Further, many of these registration and approval require renewal from time to time. Changes in laws and regulations, more stringent enforcement or alternative interpretation of existing laws and regulations in geographies in which we currently operate may make compliance with all applicable laws and regulations more challenging and could affect us adversely by tightening restrictions, reducing our freedom to do business, increasing our costs of doing business, or reducing our profitability. Accordingly, our profitability, financial condition and market position is dependent on our ability to obtain the necessary registration in a timely manner and to successfully launch and market our products. Also, see, *“Risk Factors – We require certain approvals and licenses in the ordinary course of business, including certain registrations from the Central Insecticides Board and Registration Committee (“CIB&RC”) for our agrochemical formulations and any failure to successfully obtain such registrations or renew or maintain our statutory and regulatory permits and approvals required to operate our business and manufacturing facility would adversely affect our operations, results of operations and financial condition”* on page 32 of this Red Herring Prospectus.

### ***Climate and Weather Conditions***

Our business is sensitive to seasonal fluctuations and climatic variations. The agriculture growing season as well as the sales of agro chemicals in India is significantly influenced by the monsoon. The sales of agro chemicals in India is generally higher during the second and third quarters of the financial year and a majority of our product sales takes place during such quarters. Our quarterly results may vary as a result of the monsoons and other climatic variations. Other climatic variations may also affect our production and sales volumes and could affect our results of operations. Adverse weather conditions such as drought, floods and other natural calamities, could affect farmers’ decisions about the types and the quantum of crops to be sown, the incidence (or timing) of certain crop diseases or pest infestations and farmers’ purchase of our products, which make our results of operations relatively unpredictable.

### ***Capacity Utilization***

Our capacity utilization is dependent upon our ability to optimally manage our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents, severe weather conditions and natural disasters. We have been working towards optimum capacity utilization and increasing operational efficiencies for our business. Further, we continuously strive to attain cost efficiency, enhanced productivity and product excellence through technological innovation and optimum deployment of resources, as well as improved integration and achieving economies of scale through our past capacity expansions. Strengthening internal processes, work flow and optimizing manpower utilization through multi-skills training are the key focus areas for us. Any significant malfunction or breakdown of our machinery may entail repair and maintenance costs and cause delays in our operations. If we are unable to repair malfunctioning machinery in a timely manner or at all, our facilities may not be able to operate at desired utilization levels or our operations may be suspended until we procure machinery to replace the same.

### ***Competition***

Domestic competition may adversely affect our business and results of operations. Some of our competitors may have greater financial, technical and managerial resources, greater access to raw materials and customers, better know-how and superior manufacturing facilities than we have. Competition emerges not only from the branded sector but also from the unorganised sector and from both small and big players. In the agro chemical industry, we face competition from various domestic and multinational companies in India, some of which have larger market presence compared to us. Our competitors include national players such as Bharat Rasayan Limited, India Pesticides Limited, Heranba Industries Limited, Punjab Chemicals and Crop Protection Limited and Rallis India Limited amongst other (*Source: Company Commissioned CareEdge Report*).

### ***Changes in the global and Indian agro-chemicals industry***

The growth in global population is one of the demand drivers for pesticides usage as an increase in world population implies more food requirements with the available land. This, in turn, calls for pesticide usage to increase productivity of the crop to get more output from it. (*Source: Company Commissioned CareEdge Report*) With this in mind, the use of agrochemicals has been an increasing trend in the Indian agricultural space. Any changes in government policies relating to the agriculture sector such as government expenditure in agriculture, changes in incentives and subsidy systems, export policies for crops, commodity pricing and ability of farmers to realize minimum support prices, among other things, could also have an effect on the ability of the farmers to spend on agrochemical products, which could affect the demand for, and the sales of, our products. Our business



is a consumer driven business, dominated by end-user farmers and institutions purchasing and utilizing our products. As a result, the key driver in the growth of our business and our revenue from operations is the volume of products manufactured and sold by us. Increased sales volume favorably affects our results of operations as it enables us to benefit from economies of scale in procurement of raw material and manufacturing and improves our operating margins through our ability to leverage our fixed cost base.

## **SIGNIFICANT ACCOUNTING POLICIES**

### **A. Revenue Recognition**

#### **a. Revenue from operations:**

Effective April 1, 2018, the company has applied Ind-AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind-AS 115 replaces Ind-AS 18. The company has adopted Ind-AS 115 using the cumulative catch up transition method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind-AS 18. Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind-AS 18. The adoption of Ind-AS 115 does not have significant effect on the financial results

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is recognized at point in time when the performance obligation with respect to Sale of products or rendering of services to the Customer which is the point in time when the customer receives the goods and services.

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates, sales return on transfer of control in respect of ownership to the buyer which is generally on dispatch of goods and any other taxes or duties collected on behalf of the Government which are levied on sales such as Goods and Services Tax (GST). Discounts given include rebates, price reductions and other incentives given to customers. No element of financing is deemed present as the sales are made with a payment term which is consistent with market practice.

Revenue from services is recognised when all relevant activities are completed and the right to receive income is established. This is applicable incase of Job Work services given by the Company to the Customers.

The Company disaggregates revenue from sale of goods or rendering of services with customers by product classification, geographical region and Customer Category.

Use of significant judgements in revenue recognition:

The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, price concessions. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the

relative standalone selling price of each distinct service promised in the contract.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

**Interest Income:**

Interest income including income arising on other instruments are recognised on time proportion basis using the effective interest rate method.

**Dividend Income:**

Dividend income is accounted when the right to receive the same is established, which is generally when shareholders approve the dividend.

**B. Export Benefits**

The benefit accrued under the Duty Drawback, Merchandise Export Incentive Scheme and other schemes as per the Import and Export Policy in respect of exports made under the said schemes is included as ‘Export Incentives’ under the head ‘Other operating revenue’.

**C. Property, Plant and Equipment, Investment Property and Depreciation / Amortisation**

- a. Items of Property, plant and equipment including Capital-work in-progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any cost attributable of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.
- b. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the month of such addition, or up to the month of such sale/disposal, as the case may be.

<b>Assets Category</b>	<b>Estimated useful life (in Years)</b>
Plant and Machinery	15
Servers and networks	6
Computer desktops and laptops	3
Office Equipment	5
Electrical Installation	15
Factory Building	30
Non-Factory Building	30
Vehicles	8
Furniture and fixtures	10
Leasehold land	Over primary lease period

The residual values, useful lives and methods of depreciation of property plant equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

c. Leased assets

Leasehold lands are amortized over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

In other cases, buildings constructed on leasehold lands are amortized over the primary lease period of the lands.

d. **Intangible assets**

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed finite. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible Assets without finite life are tested for impairment at each Balance Sheet date and Impairment provision, if any are debited to profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**D. Impairment of Non-financial Assets**

On annual basis the Company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is higher of an asset's fair value or selling price.

An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**E. Cashflow Statements**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**F. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts, if any as they are considered an integral part of the Company's cash management.

**G. Inventories**

All inventories are stated at lower of 'Cost or Net Realizable Value'.

- a. Stores and spares, packing materials and raw materials are valued at lower of cost or net realisable value and for this purpose, cost is determined on First in First Out (FIFO) basis. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. However,

the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

- b. Finished products and Work in Progress are valued at lower of cost or net realisable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Cost of finished goods and work in progress includes direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.
- c. Traded goods are valued at lower of cost and net realizable value. Cost is determined on a FIFO basis.
- d. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

#### **H. Foreign currency transactions**

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that gave rise to the translation difference.

#### **I. Segment reporting**

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments the chief operating decision maker regularly monitors and reviews the operating results of the whole company as one segment of "pesticides, insecticides, herbicide and fertilizers." Thus, as defined in Ind AS 108, the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss. The analysis of geographical segments is based on the areas in which customers of the company are located.

#### **J. Equity investment**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments, which are held for trading, are classified as at fair value through profit and loss ("FVTPL"). Investment that are readily realisable and intended to be held for not more than a year are classified as current investment. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at fair value through other comprehensive income ("FVTOCI"), then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

#### **K. Government Grant**

Government grants 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 attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to the Statement of Profit and Loss in a systematic basis over the expected life of the related assets and presented within other income.

Government grants relating to the purchase of land is reduced from the cost of assets.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

#### **L. Borrowing Cost**

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

Other borrowing costs are recognized as expenses in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

In determining the amount of borrowing costs eligible for capitalization during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

#### **M. Taxes on income**

##### **Current Taxes**

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals if any.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### **Deferred tax**

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability settled, based on the tax rates (tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of major components of deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

##### **Minimum Alternate Tax (MAT)**

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Company will pay normal income tax during the specified period. Deferred tax assets on such tax credit are recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

## **N. Provision, Contingent Liabilities and Contingent Assets**

### **Provisions**

The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

### **Contingent liabilities and Contingent assets**

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, is disclosed as a contingent liability. Contingent liabilities are also 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.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

## **O. Earning Per Share**

Basic earnings per share are 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. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, if any. 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 are adjusted for the effects of all dilutive potential equity shares.

## **P. Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis.

## **Q. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period;

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Deferred tax assets/liabilities are classified as non-current.

All other liabilities are classified as non-current.

## **R. Fair value measurement**

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value

measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## **S. Financial instruments**

### **a. Financial assets**

#### **Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

#### **Subsequent measurement**

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing



the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments other than investment on subsidiary, joint venture and associates are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss.

### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:
  - a. the Company has transferred substantially all the risks and rewards of the asset; or
  - b. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### **Investment in associates, joint venture and subsidiaries**

The Company has accounted for its investment in subsidiaries and associates, joint venture at cost.

### **Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model to the Financial assets measured at amortized cost.

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

## **b. Financial liabilities**

### **Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

### **Subsequent measurement**

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 upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. 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.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

#### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

#### **Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

#### **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.

#### **c. Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

#### **d. Derivative financial instruments**

The Company enters into derivative contracts to hedge foreign currency price risk on unexecuted firm commitments and highly probable forecast transactions. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

### **T. Employee Benefits**

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex gratia are recognized during the period in which the employee renders related service.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period on projected Unit Credit Method.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the Statement of Profit and Loss in the period of plan amendment.

The Company recognizes the following changes in the net defined benefit obligation under employee benefit

expenses in the Statement of Profit and Loss:

- i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- ii) Net interest expense or income.

Termination benefits are payable as a result of the company's decision to terminate employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognizes these benefits when it has demonstrably undertaken to terminate current employees' employment in accordance with a formal detailed plan that cannot be withdrawn or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits that will not be paid within 12 months of the balance sheet date are discounted to their present value. Termination benefits are recognized as an expense in the period in which they are incurred.

## **PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE**

### ***Income***

Our total revenue comprises of revenue from operations and other income.

#### *Revenue from operations*

Revenue from operations includes sale of our Agro chemicals and crop protection products such as insecticides, fungicides, herbicides, plant growth regulator ("PGR"), micro fertilizers and antibiotic domestically and through exports. Further, it also includes other operating revenues such as discount, MEIS license, export incentives and other income

#### *Other Income*

Other income primarily comprises of interest income, exchange gain, profit on sale of asset and miscellaneous income which includes interest income, miscellaneous income, exchange gain and profit on sale of asset.

### **Expenses**

Our expenses primarily comprises of cost of material consumed, purchase of stock-in-trade, changes in inventories of finished goods, work-in progress and stock-in-trade, manufacturing and operating costs, employee benefits expense, finance costs, depreciation and amortisation and other expenses.

#### *Cost of Materials Consumed*

Cost of raw materials consumed comprises cost towards the purchase of raw materials such as chlorpyrifos technical, mancozeb technical and glyphosate technical. For the periods presented, chlorpyrifos technical, mancozeb technical and glyphosate technical constitute over 14.66% of the cost of raw materials consumed.

#### *Purchases of stock in trade.*

Our expenses on purchase of stock in trade comprise costs incurred primarily towards ocean freight (import), agency, concor and other charges (import) and custom duty charges.

#### *Changes in inventories of finished goods, work-in progress and stock-in-trade*

This expense line item comprises of inventories for finished goods, work in progress and stock in trade.

#### *Manufacturing and operation costs*

Manufacturing and operating cost includes expenses towards consumable and hardware, power and fuel, inward transportation, job work, lab chemical and other, labour charges, safety expenses, design expenses, packing and consumable and other manufacturing expenses etc.

#### *Employee benefit expense*

Our employee benefits expense comprises salaries and wages, staff welfare expenses, contribution to provident fund and other funds and gratuity.

*Finance costs*

Finance cost consists of interest expenses, interest on taxes, bank guarantee commission, processing fees and others.

*Depreciation and Amortization Expense*

Our Depreciation and amortisation expense comprise depreciation of property and plant & equipments.

*Other Expenses*

Our other expenses, *inter alia*, comprises of cash and quantity discount, sales rate difference, freight and transportation, loading and unloading charges, rate and taxes, fees and consultation, commission, legal expenses, repairs and maintenance of plant and machinery and land and building, advertisement, rent, insurance, travelling expenses, power and fuel, license fees, remuneration to auditors, gift expenses and director sitting fees.

*Tax expenses*

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability is recognized based on the difference between taxable profit and book profit due to the effect of timing differences.

## RESULT OF OPERATIONS

The following table sets forth certain information with respect to our consolidated results of operations for the periods indicated:

Particulars	For the four months period ended July 31, 2022		Fiscal 2022		Fiscal 2021		Fiscal 2020	
	Amount	Percentage of total income (%)	Amount	Percentage of total income (%)	Amount	Percentage of total income (%)	Amount	Percentage of total income (%)
<i>(₹ in million)</i>								
<b>INCOME</b>								
Revenue from Operations	2,209.40	99.90	3,942.08	99.48	3,024.10	99.62	1,982.22	99.53
Other Income	2.32	0.10	20.80	0.52	11.55	0.38	9.43	0.47
<b>Total Income</b>	<b>2,211.72</b>	<b>100.00</b>	<b>3,962.88</b>	<b>100.00</b>	<b>3,035.65</b>	<b>100.00</b>	<b>1,991.65</b>	<b>100.00</b>
<b>EXPENSES</b>								
Cost of material consumed	1,954.25	88.36	3,206.69	80.92	2,405.00	79.23	1,566.53	78.65
Purchase of stock-in-trade	-	-	5.53	0.14	9.08	0.30	3.34	0.17
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(173.75)	(7.86)	(126.11)	(3.18)	(84.98)	(2.80)	(56.42)	(2.83)
Manufacturing and operation costs	19.09	0.86	56.65	1.43	64.95	2.14	40.22	2.02
Employee benefit expenses	56.82	2.57	136.60	3.45	120.07	3.96	82.04	4.12
Finance costs	9.30	0.42	26.15	0.66	14.19	0.47	22.37	1.12
Depreciation and amortization	16.03	0.72	52.71	1.33	26.01	0.86	21.76	1.09
Other expenses	84.26	3.81	219.34	5.53	199.40	6.57	167.20	8.40
<b>Total Expenses</b>	<b>1,966.01</b>	<b>88.89</b>	<b>3,577.57</b>	<b>90.28</b>	<b>2,753.73</b>	<b>90.71</b>	<b>1,847.03</b>	<b>92.74</b>
<b>Profit / (Loss) Before Exceptional Items and Tax</b>	<b>245.71</b>	<b>11.11</b>	<b>385.31</b>	<b>9.72</b>	<b>281.93</b>	<b>9.29</b>	<b>144.62</b>	<b>7.26</b>
Exceptional items Income/ (Expenses)	-	-	-	-	-	-	-	-
<b>Profit/ (Loss) Before Tax</b>	<b>245.71</b>	<b>11.11</b>	<b>385.31</b>	<b>9.72</b>	<b>281.93</b>	<b>9.29</b>	<b>144.62</b>	<b>7.26</b>
<b>Tax Expenses</b>								

Particulars	For the four months period ended July 31, 2022		Fiscal 2022		Fiscal 2021		Fiscal 2020	
	Amount	Percentage of total income (%)	Amount	Percentage of total income (%)	Amount	Percentage of total income (%)	Amount	Percentage of total income (%)
Current tax	62.72	2.84	101.09	2.55	69.95	2.30	37.78	1.90
Adjustment of Tax Relating to Earlier Years	-	-	0.01	0.00	(0.03)	0.00	0.00	0.00
Deferred tax liability/ (asset)	(0.60)	(0.03)	(2.69)	(0.07)	2.41	0.08	(0.75)	(0.04)
<b>Total tax expenses</b>	<b>62.12</b>	2.81	<b>98.41</b>	2.48	<b>72.32</b>	2.38	<b>37.03</b>	1.86
<b>Profit after tax for the period</b>	<b>183.59</b>	8.30	<b>286.90</b>	7.24	<b>209.60</b>	6.90	<b>107.59</b>	5.40
<b>Other Comprehensive Income</b>								
Items that will not be reclassified to Profit or Loss (Net of tax)	(0.21)	(0.01)	0.49	0.01	(0.45)	(0.01)	(0.25)	(0.01)
<b>Total Comprehensive Income/ (Loss) for the period</b>	<b>183.38</b>	8.29	<b>287.39</b>	7.25	<b>209.15</b>	6.89	<b>107.34</b>	5.39

## **Four months period ended July 31, 2022**

### ***Income***

Our total income was ₹ 2,211.72 million in the four months period ended July 31, 2022.

### ***Revenue from operations***

Revenue from operations was ₹ 2,209.40 million in the four months period ended July 31, 2022. As percentage of total income, revenue from operations was 99.90% in four months period ended July 31, 2022. Our revenue from operations in the four months period ended July 31, 2022, included sale of our products domestically and internationally. Further, it also includes other operating revenue such as discount of ₹ 5.62 million and export incentives of ₹ 0.91 million.

### ***Other Income***

Other income was ₹ 2.32 million in the four months period ended July 31, 2022. Our other income in the four months period ended July 31, 2022, consisted of interest income of ₹ 0.09 million and miscellaneous income of ₹ 2.23 million. As a percentage of total income, other income was 0.10% in four months period ended July 31, 2022.

### ***Expenses***

Total expenses were ₹ 1,966.01 million in four months period ended July 31, 2022. As a percentage of total income, total expenses were 88.89% in the four months period ended July 31, 2022.

### ***Cost of material consumed***

Cost of materials consumed by our Company was ₹ 1,954.25 million for four months period ended July 31, 2022. As a percentage of total income, cost of material consumed were 88.36% in the four months period ended July 31, 2022.

### ***Changes in inventories of finished goods, work-in-progress and stock-in-process***

Expenses relating to changes in inventories of finished goods, work-in-progress and stock-in-process were (₹173.75) million in the four months period ended July 31, 2022. As a percentage of total income, expenses relating to changes in inventories of finished goods, work-in-progress and stock-in-process were (7.86)% in the four months period ended July 31, 2022.

### ***Manufacturing and operating costs***

Manufacturing and operating costs were ₹ 19.09 million in the four months period ended July 31, 2022. As a percentage of total income, expenses relating to manufacturing and operating costs were 0.86% in the four months period ended July 31, 2022.

### ***Employee benefits expense***

Employee benefit expenses were ₹ 56.82 million in the four months period ended July 31, 2022. As a percentage of total income, employee benefit expenses were 2.57% in the four months period ended July 31, 2022. Director's remuneration were ₹2.96 million, salaries, bonus, perquisites etc., were ₹49.67 million, contribution to provident and other funds was ₹ 1.43 million, gratuity was ₹ 0.63 million, staff welfare expenses were ₹ 1.56 million and employee benefit other was ₹ 0.58 million during the four months period ended July 31, 2022.

### ***Finance Cost***

Finance costs were ₹ 9.30 million in the four months period ended July 31, 2022. Interest expenses was ₹6.79 million, processing fees was ₹ 2.14 million and others was ₹ 0.32 million in the four months period ended July 31, 2022. As a percentage of total income, finance costs were 0.42% in the four months period ended July 31, 2022.



### *Depreciation and amortisation Expenses*

Depreciation expenses were ₹ 16.03 million in the four months period ended July 31, 2022. As a percentage of total income, depreciation and amortisation expenses were 0.72% in the four months period ended July 31, 2022.

### *Other Expenses*

Other expenses were ₹ 84.26 million in the four months period ended July 31, 2022. As a percentage of total income, other expenses were 3.81% in the four months period ended July 31, 2022. Other expenses in the four months period ended July 31, 2022 primarily consisted of cash and quantity discount of ₹ 14.72 million, sales promotion of ₹12.68 million, freight and transportation of ₹ 14.28 million and travelling expenses of ₹ 21.28 million, .

### *Profit before Tax*

For the reasons discussed above, profit before tax was ₹ 245.71 million in the four months period ended July 31, 2022.

### *Tax Expense*

Our tax expenses in the four months period ended July 31, 2022 were ₹ 62.12 million, including ₹ 62.72 million of current tax. In addition, there was a deferred tax expenses of (₹ 0.60) million in the four months period ended July 31, 2022.

### *Profit after tax for the period*

Profit for the period was ₹ 183.59 million in the four months period ended July 31, 2022 resulting in a profit margin of 8.30%.

## **Fiscal 2022 compared to Fiscal 2021**

### *Income*

Our total income for Fiscal 2022 was ₹ 3,962.88 million as compared to ₹ 3,035.65 million for Fiscal 2021, representing an increase of 30.54%. Our total income comprises of the following:

#### *Revenue from operations*

Our revenue from operations for the Fiscal 2022 was ₹ 3,942.088 million as compared to ₹ 3,024.10 million for the Fiscal 2021, representing an increase of 30.36%. This was primarily due to increase in sales of our branded products, institutional sales and addition of more dealers and customers.

#### *Other Income*

Other income for the Fiscal 2022 was ₹ 20.80 million as compared to ₹ 11.55 million for Fiscal 2021, representing an increase of 80.09%. The increase in other income was primarily due to increase in export which resulted in more duty draw back and also due to profit on sale of fixed assets.

### *Expenses*

The total expenses incurred by our Company in the Fiscal 2022 was ₹ 3,577.57 million as compared to ₹ 2,753.73 million for the Fiscal 2021, representing an increase of 29.92%. Our total expenditure comprises of cost of material consumed, purchase of stock-in-trade, changes in inventories of finished goods, work-in-progress and stock-in-trade, manufacturing and operation costs, employee benefit expenses, finance cost, depreciation and amortisation expense and other expenses.

#### *Cost of material consumed*

Cost of materials consumed by our Company was ₹ 3,206.69 million for Fiscal 2022 as compared to ₹ 2,405.00 million for Fiscal 2021, representing an increase of 33.33%. The increase in cost of material consumed was primarily due to increase in consumption of materials because of increased sales.

#### *Purchase of stock-in-trade*

Purchase of stock in trade for the Fiscal 2022 was ₹ 5.53 million as compared to ₹ 9.08 million for the Fiscal 2021. The decrease was primarily due to increase in the purchase of stock-in-trade was due to increased purchases for catering the demand of increasing sales.

#### *Changes in inventories of finished goods, work-in-progress and stock in process*

Changes in inventories of finished goods, work-in-progress and stock-in-process for Fiscal 2022 was ₹ (126.11) million as compared to ₹ (84.98) million for Fiscal 2021, representing an increase of 48.40%. The increase was primarily due to increase in inventory requirement to cater increased sales and more inventory requirement at sales depots.

#### *Manufacturing and operation costs*

Our manufacturing and operation costs for Fiscal 2022 was ₹ 56.65 million as compared to ₹ 64.95 million for Fiscal 2021, representing a decrease of 12.78%. The decrease was primarily due to increase in requirement of more labour, manpower and other direct cost at the manufacturing facility.

#### *Employee benefit expenses*

Our employee benefit expenses for the Fiscal 2022 was ₹ 136.60 million as compared to ₹ 120.07 million during the Fiscal 2021, representing an increase of 13.77%. These was primarily due to increase in number of employees and also increase in the salaries of employees.

#### *Financial costs*

Our finance cost for the Fiscal 2022 was ₹ 26.15 million as compared to ₹ 14.19 million during the Fiscal 2021, representing an increase of 84.28%. The increase was due to utilization of bank term loan facility to manage the construction of manufacturing facility at Saykha, Bharuch, Gujarat and an increase in the rate of interest of loan facility.

#### *Depreciation and amortisation expenses*

Our depreciation expense for the Fiscal 2022 was ₹ 52.71 million as compared to ₹ 26.01 million during the Fiscal 2021, representing an increase of 102.65%. This increase was primarily due to addition of depreciable fixed assets for expansion of our manufacturing facility.

#### *Other expenses*

Other expenses for the Fiscal 2022 was ₹ 219.34 million as compared to ₹ 199.40 million for the Fiscal 2021, representing an increase of 10.00%. The increase was majorly due to increase in expenses for sales and promotion, advertisement, freight and transportation, commission, rent, insurance and other miscellaneous expenses.

#### *Profit before Tax*

For the reasons discussed above our profit/(loss) before tax for the Fiscal 2022 was ₹ 385.31 million as compared to ₹ 281.93 million for the Fiscal 2021, representing an increase of 36.67%.

#### *Tax expense*

Total tax expense for the Fiscal 2022 was ₹ 98.41 million as compared to ₹ 72.32 million for the Fiscal 2021. The increase in tax expense is due to increase in current tax as a result of increase profits.

#### *Profit / (loss) for the period*

Profit/ (loss) for the Fiscal 2022 was ₹ 286.90 million as compared to ₹ 209.60 million for the Fiscal 2021. Our profit margin increased from 6.93% in Fiscal 2021 to 7.28% in Fiscal 2022.

### **Fiscal 2021 compared to Fiscal 2020**

#### ***Income***

Our total income for Fiscal 2021 was ₹3,035.65 million as compared to ₹1,991.65 million for Fiscal 2020, representing an increase of 52.42%. Our total income comprises of the following:

#### *Revenue from operations*

Our revenue from operations for the Fiscal 2021 was ₹3,024.10 million as compared to ₹1,982.22 million for the Fiscal 2020, representing an increase of 52.56%. This was primarily due to increase in sales of our branded products, institutional sales and addition of more dealers and customers.

#### *Other Income*

Other income for the Fiscal 2021 was ₹11.55 million as compared to ₹9.43 million for Fiscal 2020, representing an increase of 22.48%. The increase in other income was primarily due to increase in export which resulted in more duty draw back and also due to profit on sale of fixed assets.

#### ***Expenses***

The total expenses incurred by our Company in the Fiscal 2021 was ₹2,753.73 million as compared to ₹1,847.03 million for the Fiscal 2020, representing an increase of 49.09%. Our total expenditure comprises of cost of material consumed, purchase of stock in trade, changes in inventories of finished goods, work-in-progress and stock-in-trade, manufacturing and operation costs, employee benefit expenses, finance cost, depreciation and amortisation expense and other expenses.

#### *Cost of material consumed*

Cost of materials consumed by our Company was ₹2,405.00 million for Fiscal 2021 as compared to ₹1,566.53 million for Fiscal 2020, representing an increase of 53.52%. The increase in cost of material consumed was primarily due to increase in consumption of materials because of increased sales.

#### *Purchase of stock-in-trade*

Purchase of stock in trade for the Fiscal 2021 was ₹9.08 million as compared to ₹3.34 million for the Fiscal 2020, representing an increase of 171.99%. The increase in the purchase of stock-in-trade was due to increased purchases for catering the demand of increasing sales.

#### *Changes in inventories of finished goods, work-in-progress and stock-in-trade*

Changes in inventories of finished goods, work-in-progress and stock-in-trade for Fiscal 2021 was (₹84.98) million as compared to (₹56.42) million for Fiscal 2020, representing an increase of 50.62%. The increase was primarily due to increase in inventory requirement to cater increased sales and more inventory requirement at sales depots.

#### *Manufacturing and operation costs*

Our manufacturing and operation costs for Fiscal 2021 was ₹64.95 million as compared to ₹40.22 million for Fiscal

2020, representing an increase of 61.49%. The increase was primarily due to increase in requirement of more labour, manpower and other direct cost at the manufacturing facility.

#### *Employee benefit expenses*

Our employee benefit expenses for the Fiscal 2021 was ₹120.07 million as compared to ₹82.04 million during the Fiscal 2020, representing an increase of 46.35%. These was primarily due to increase in number of employees and also increase in the salaries of employees.

#### *Financial costs*

Our finance cost for the Fiscal 2021 was ₹14.19 million as compared to ₹22.37 million during the Fiscal 2020, representing a decrease of 36.57%. The decrease was due to significant decrease in utilisation of cash credit facilities availed from the bank.

#### *Depreciation and amortisation expenses*

Our depreciation and amortisation expense for the Fiscal 2021 was ₹26.01 million as compared to ₹21.76 million during the Fiscal 2020, representing an increase of 19.53%. This increase was primarily due to addition of depreciable fixed assets for expansion of our manufacturing facility.

#### *Other expenses*

Other expenses for the Fiscal 2021 was ₹199.40 million as compared to ₹167.20 million for the Fiscal 2020, representing an increase of 19.26%. The increase was mainly due to increase in expenses for sales and promotion, advertisement, freight and transportation, commission, rent, insurance and other miscellaneous expenses.

#### *Profit before Tax*

For the reasons discussed above our profit/(loss) before tax for the Fiscal 2021 was ₹281.93 million as compared to ₹144.62 million for the Fiscal 2020, representing an increase of 94.94%.

#### *Tax expense*

Total tax expense for the Fiscal 2021 was ₹72.32 million as compared to ₹37.03 million for the Fiscal 2020. The increase in tax expense is due to increase in current tax and deferred tax as a result of increased profits.

#### *Profit / (loss) for the period*

As a result of the above, our restated profit/ (loss) for the Fiscal 2021 was ₹209.15 million as compared to ₹107.34 million for the Fiscal 2020. Our profit margin increased from 5.40% in Fiscal 2020 to 6.90% in Fiscal 2021.

## **LIQUIDITY AND CAPITAL RESOURCES**

### **Overview**

We finance our operations and capital requirements primarily through cash flows from operations and borrowings under credit facilities from certain banks. We have historically met our liquidity requirements through the cash flow generated through our business operations. We expect to meet our working capital needs and liquidity requirements for the next 12 months primarily from the proceeds of the Offer, cash flows from our business operations and borrowings, as determined by the management.

### **Cash Flows**

Cash and bank balances primarily consist of balances in current accounts with banks, fixed deposits with banks, cash in foreign currency and cash in hand.

The following table sets forth a summary of our statement of cash flows for the periods indicated:

Particulars	<i>(₹ in million)</i>			
	Four months period ended July 31, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Net cash from operating activities	(23.25)	164.11	128.83	20.45
Net cash from investment activities	(116.37)	(238.65)	(177.31)	(146.47)
Net cash from financing activities	139.54	74.53	55.01	120.62
Net increase / (decrease) in cash and cash equivalent	(0.07)	(0.01)	6.54	(5.39)

## Operating Activities

### *Four months period ended July 31, 2022*

In the four months period ended July 31, 2022, net cash from operating activities was (₹23.25) million and the operating profit before working capital changes was ₹ 268.24 million. The change in working capital was primarily due to decrease in trade and other receivable of (₹ 594.43) million, decrease in inventories of (₹ 181.98) million, increase in trade payable and provisions of ₹ 497.88 million, increase in other non financial assets of ₹ 15.16 million, increase in other financial liabilities of ₹ 0.24 million and decrease in other non-financial liabilities of (₹ 10.44) million.

### *Fiscal 2022*

In the Fiscal 2022, net cash from operating activities was ₹ 164.11 million and the operating profit before working capital changes was ₹ 461.37 million. The change in working capital was primarily due to decrease in trade and other receivable of (₹ 498.42) million, increase in inventories of (₹ 193.03) million, increase in trade payable and provisions of ₹ 523.25 million, increase in other non financial assets of (₹ 25.89) million, increase in other financial liabilities of ₹ ₹ 0.18 million and increase in other non-financial liabilities of (₹ 3.87) million.

### *Fiscal 2021*

In the Fiscal 2021, net cash from operating activities was ₹128.83 million and the operating profit before working capital changes was ₹314.40 million. The change in working capital was primarily due to increase in trade and other receivable of (₹33.64) million, increase in inventories of (₹159.64) million, increase in trade payable and provisions of ₹60.80 million, increase in other non financial assets of (₹8.39) million, increase in other financial liabilities of ₹0.44 million and increase in other non-financial liabilities of ₹24.66 million.

### *Fiscal 2020*

In the Fiscal 2020, net cash from operating activities was ₹20.45 million and the operating profit before working capital changes was ₹187.69 million. The change in working capital was primarily due to increase in trade and other receivable of (₹166.67) million, increase in inventories of (₹123.61) million, increase in trade payable and provisions of ₹204.09 million, increase in other non financial assets of (₹41.10) million, decrease in other financial liabilities of (₹0.49) million and decrease in other non-financial liabilities of (₹2.71) million.

## Investing Activities

### *Four months period ended July 31, 2022*

In four months period ended July 31, 2022, net cash from investing activities was (₹ 116.37) million primarily on account of purchase of fixed assets of (₹ 121.12) million and movement in other bank balance – fixed deposits of ₹ 4.75 million.

### ***Fiscal 2022***

In Fiscal 2022, net from investing activities was (₹ 238.65) million primarily on account of purchase of fixed assets of (₹ 236.52) million, sale of fixed assets of ₹ 2.76 million and investment in Company of (₹ 4.89) million.

### ***Fiscal 2021***

In Fiscal 2021, net cash from investing activities was (₹177.31) million primarily on account of purchase of fixed assets of (₹191.53) million, sale of fixed assets of ₹10.11 million and movement in other bank balance – fixed deposits of ₹4.12 million.

### ***Fiscal 2020***

In Fiscal 2020, net from investing activities was (₹146.47) million primarily on account of purchase of fixed assets of (₹146.47) million.

## **Financing Activities**

### ***Four months period ended July 31, 2022***

Net cash from financing activities during the four months period ended July 31, 2022 amounted to ₹ 139.54 million. This primarily consisted of interest paid of (₹ 4.67) million, addition long term borrowings of ₹ 125.84 million, repayment of long term borrowings of (₹ 14.40) million and addition to short term liability of ₹ 32.77 million.

### ***Fiscal 2022***

Net cash used in/ (from) financing activities for Fiscal 2022 amounted to ₹ 74.53 million. This primarily consisted of dividend paid of (₹ 1.65) million, interest paid of (₹ 19.06) million, addition long term borrowing of ₹ 144.38 million, repayment of long term borrowings of (₹ 54.47) million, addition to short term liability of ₹ 135.52 million and repayment of short term borrowings of (₹ 130.20) million.

### ***Fiscal 2021***

Net cash used from financing activities for Fiscal 2021 amounted to ₹55.01 million. This primarily consisted of interest paid of (₹10.02) million, addition long term borrowings of ₹152.18 million, repayment of long term borrowings of (₹22.10) million, addition to short term liability of ₹177.06 million and repayment of short term borrowings of (₹242.10) million.

### ***Fiscal 2020***

Net cash used from financing activities for Fiscal 2020 amounted to ₹ 120.62 million. This primarily consisted of issue of shares of ₹141.70 million, interest paid of (₹9.80) million, addition long term borrowing of ₹60.16 million, repayment of long term borrowings of (₹185.31) million and addition of short term borrowings of ₹113.88 million.

## **FINANCIAL INDEBTEDNESS**

As of September 30, 2022, we had outstanding indebtedness of ₹ 656.09 million. The following table sets forth certain information relating to our outstanding indebtedness as of September 30, 2022:

<i>(₹ in million)</i>		
<b>Category of borrowing</b>	<b>Sanctioned amount</b>	<b>Outstanding amount</b>
<b><i>Secured</i></b>		

<b>Working Capital Facilities</b>		
- Fund Based	327.50	143.22
- Non Fund Based	98.50	-
Term loan from banks	1172.70	431.03
<b>Total Secured Borrowings (A)</b>	<b>1598.70</b>	<b>574.25</b>
<b>Unsecured</b>		
Rameshbhai Ravajibhai Talavia	25.45	25.45
Jamankumar Hansarajbhai Talavia	17.33	17.33
Jagdishbhai Ravajibhai Savaliya	6.79	6.79
Vishal Domadia	6.99	6.99
Manjulaben Rameshbhai Talavia	17.73	17.73
Muktaben Jamankumar Talavia	7.56	7.56
<b>Total Unsecured Borrowing (B)</b>	<b>81.84</b>	<b>81.84</b>
<b>Total Borrowing (A+B)</b>	<b>1680.54</b>	<b>656.09</b>

For further details, see “Financial Indebtedness” on page 274.

#### **OTHER CONTRACTUAL OBLIGATIONS**

As at July 31, 2022, our Company had ₹ Nil other contractual obligations.

#### **CAPITAL EXPENDITURE**

Our capital expenditures (net of disposals) are primarily related to our capacity expansions at our manufacturing units. The following table below sets forth certain information relating details of our gross capital expenditures for the periods stated:

<b>Particulars</b>	<b>As of July 31, 2022</b>	<b>As of March 31</b>		
		<b>2022</b>	<b>2021</b>	<b>2020</b>
Leasehold land	-	3.79	4.03	85.87
Office Building	-	0.12	23.36	-
Factory Building	-	6.74	70.44	11.99
Plant and Machinery	4.71	25.43	65.04	21.19
Motor Vehicles	5.80	7.78	12.34	1.69
Office Equipments	0.19	1.34	3.61	0.38
Computer	0.78	1.55	2.65	1.31
Furniture and Fixtures	-	3.28	9.83	0.39
<b>Total</b>	<b>11.47</b>	<b>50.02</b>	<b>191.30</b>	<b>122.83</b>

The following table sets forth our fixed assets for the periods indicated:

<b>Particulars</b>	<b>As of July 31, 2022</b>	<b>As of March 31</b>		
		<b>2022</b>	<b>2021</b>	<b>2020</b>
Leasehold land	106.45	106.45	102.66	98.63
Office Building	24.90	25.71	28.29	3.63
Plant and Machinery	118.67	121.43	120.00	69.32
Factory Building	94.77	97.87	100.92	34.34
Motor Vehicles	25.02	21.77	17.21	6.86
Office Equipments	2.82	3.11	3.97	0.90
Computer	2.40	2.09	2.58	1.51
Furniture and Fixtures	9.95	10.90	11.09	1.74
<b>Total Fixed Assets</b>	<b>384.96</b>	<b>389.34</b>	<b>386.72</b>	<b>216.93</b>

For further information, see “*Financial Information*” on page 218.

## CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The following table sets forth certain information relating to our contingent liabilities and capital commitments:

Particulars	As of July 31, 2022	As of March 31		
		2022	2021	2020
<i>(₹ in million)</i>				
<b>Commitments</b>				
Capital expenditure commitments	177.44	16.52	-	-
<b>Contingent Liabilities</b>				
Claims against the Company non acknowledged as debt for infringement of patent	20.20	20.20	20.20	-
Outstanding Bank Guarantee	-	5.00	5.00	-

For further information on our contingent liabilities, see “*Restated Financial Statements – Note 32 – Commitments and Contingent Liabilities*” on page 258.

Our contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities become non-contingent, our business, financial condition and results of operations may be adversely affected.

There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Fiscal year or in the future.

## OFF-BALANCE SHEET ARRANGEMENTS

Except as disclosed in our Restated Financial Information or otherwise in this Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

## RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. For further details relating to our related party transactions, see “*Financial Statements – Restated Financial Statements – Note 36 Disclosure of transactions with Related Parties, as required by Indian Accounting Standard (Ind AS) - 24 Related Party Disclosures*” on page 259.

## QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

### *Market Risk*

We are exposed to interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Our risk management approach seeks to minimize the potential material adverse effects from these exposures. Accordingly, our Company enters into the derivative contracts as approved by the Board to manage its exposure to foreign currency risk, from time to time.

### *Interest Rate Risk*

Interest rate risk is a risk that primarily arises from floating rate that we pay on our borrowings with banks and financial institutions. We are exposed to the effects of fluctuations in the prevailing levels of market rates on our financial position. As at March 31, 2022, substantially all of our Company’s borrowings were subject to floating interest rate, which are reset at short intervals. We expect that any changes in such rates would have a material impact on our financial condition and results of operations. For details of a sensitivity analysis for a change in interest rates, see note



to our Restated Financial Information under “*Financial Information*”, on page 218.

### ***Credit Risk***

Our Company is exposed to credit risk from our operating activities (primarily trade receivables) and from financing activities, including deposits with bank and financial institutions, foreign exchange transactions and other financial instruments. Trade receivables are typically unsecured and are derived from revenue earned from customer. Credit risk has always been managed by our Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which our Company grants credit terms in the normal course of business. To manage this our Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account a continuing credit evaluation of our Company customers’ financial condition; ageing of trade accounts receivable and our Company’s historical loss experience.

### ***Liquidity Risk***

Liquidity risk is defined as the risk that our Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Our Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable liquid debt investments with appropriate maturities to optimise the returns on investments while ensuring sufficient liquidity to meet its liabilities.

### ***Foreign Currency Risk***

Our Company is exposed to currency risk on account of its operating and financing activities. our Company’s exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). Our Company manages the exposure based on a duly approved policy by the Board, which is reviewed by Board of Directors on periodic basis. This foreign currency risk exposure of the Company is mainly in U.S. Dollar (USD). For details of a sensitivity analysis for a change in foreign currency rates, see “*Financial Information – Restated Financial Information*”, on page 218.

## **OTHER QUALITATIVE FACTORS**

### ***Unusual or Infrequent Events or Transactions***

To our knowledge there have been no transactions or events which, in our judgment, would be considered unusual or infrequent.

### ***Significant Dependence on a single or few suppliers or customers***

Other than as described in this Red Herring Prospectus particularly in “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 31 and 295, respectively, there is no dependence on a single or few customers or suppliers.

### ***Known Trends or Uncertainties***

Our business has been impacted and we expect will continue to be impacted by the trends identified above in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations–Factors Affecting Our Results of Operations and Financial Condition*” and the uncertainties described in “*Risk Factors*” beginning on pages 278 and 31, respectively. To our knowledge, except as we have described in this Red Herring Prospectus, there are no known factors that we expect to have a material adverse impact on our revenues or income from operations.

### ***Total Turnover of Each Major Industry Segment***

For the four months ended July 31, 2022 and Financial Years 2022, 2021 and 2020, we operated in only a single

reportable segment.

***Significant Economic Changes that Materially Affected or are likely to Affect Income from Operations***

Other than as described in this section and the sections of this Red Herring Prospectus titled “*Risk Factors*” and “*Industry Overview*” on pages 31 and 126, respectively, there have been no significant economic changes that materially affected or are likely to affect our Company's income from operations.

***Future relationship between Cost and Revenue***

Other than as described in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 31, 153 and 276, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition

***Material Increases in Net Income and Sales***

Material increases in our Company's net income and sales are primarily due to the reasons described in the section entitled “*Management discussion and analysis of financial condition and results of operations - Results of Operations*” above on page 295.

***Status of any publicly announced new products or business segment, if applicable***

Except as disclosed in “*Our Business*” on page 154, we have not announced and do not expect to announce in the near future any new products or business segments.

***Competitive Conditions***

We operate in a competitive environment. See “*Our Business*”, “*Industry Overview*” and “*Risk Factors*” on pages 154, 127 and 31, respectively, for further details n competitive conditions that we face in our business.

***Seasonality of Business***

Our agrochemicals business is affected by seasonal variations and adverse weather conditions. For further information, see “*Risk Factors - Our business is subject to climatic conditions and is cyclical in nature. Seasonal variations and unfavourable local and global weather patterns may have an adverse effect on our business, results of operations and financial condition*” on page 34.

**SUMMARY OF RESERVATION, QUALIFICATIONS, ADVERSE REMARKS AND EMPHASIS OF MATTERS BY AUDITORS**

Our Statutory Auditors have not provided or highlighted any reservations/ qualifications/ adverse remarks/ emphasis of matters in their audit reports on the audited consolidated financial statements for the four months period ended July 31, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020.

**SIGNIFICANT DEVELOPMENTS AFTER JULY 31, 2022**

Other than as disclosed in this Red Herring Prospectus, including under “*Our Business*”, “*Risk Factors*” and in this section, to our knowledge no circumstances have arisen since the date of the last financial information disclosed in this Red Herring Prospectus which materially and adversely affect or are likely to affect, our trading or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months.

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal litigations; (ii) actions taken by regulatory or statutory authorities; (iii) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Fiscals, including outstanding action; (iv) claims related to direct and indirect taxes in a consolidated manner; and (v) details of any other pending material litigation which are determined to be material as per a policy adopted by our Board (“**Materiality Policy**”), in each case involving our Company, Promoters and Directors (“**Relevant Parties**”).*

*For the purpose of (v) above, our Board in its meeting held on November 18, 2021, has considered and adopted a Materiality Policy for identification of material litigation involving the Relevant Parties and group companies.*

*In accordance with the Materiality Policy, all pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulation authorities and statutory authorities disciplinary action including penalty imposed by SEBI or stock exchanges against our Promoters in the last five Fiscals including outstanding action and tax matters, would be considered ‘material’ for disclosure in this Red Herring Prospectus, if:*

- a. *the monetary amount of the claim made by or against the Relevant Parties in any such outstanding litigation is in excess of 5% of the total profit after tax of our Company for the most recently completed fiscal, being ₹ 14.35 million as per the Restated Financial Statement (“**Threshold**”); or*
- b. *any other outstanding litigation, where the monetary liability is not quantifiable, or which does not fulfil the Threshold specified in (a) above, but an outcome of which could nonetheless have a materially adversely affect our Company’s business, operations, prospects, financial position or reputation, irrespective of the amount involved in such litigation.*

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. In accordance with the Materiality Policy, any outstanding dues to any creditor of our Company would be considered ‘material’ if the amount of such outstanding dues to any creditor is in excess of 5% of the total trade payables of our Company of the most recent financial statements, being ₹69.68 million as per the Restated Financial Statement.*

*Further, for outstanding dues to any party which is a micro, small or medium enterprise (“**MSME**”), the disclosure will be based on information available with the Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Act, 2006, as amended. Further, it is clarified that for the purpose of the above, pre-litigation notices received by any of the Relevant Parties from third parties (excluding those notices issued by statutory/regulatory/tax authorities) shall, in any event, not be considered as litigation and accordingly have not been disclosed in this section until such time that the Relevant Parties, as applicable, are pleaded as defendants in litigation proceedings before any judicial forum.*

*All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of the date of this Red Herring Prospectus.*

#### **I. LITIGATIONS INVOLVING OUR COMPANY**

##### **A. Outstanding criminal litigations involving our Company**

###### ***Criminal litigation against our Company***

1. A criminal case no. 459 of 2022 has been filed by Insecticides Inspector-Cum-Agricultural Developer Officer, Palanpur, Gujarat (“**Complainant**”) against Adarsh Agro Centre Danta (“**Accused No. 1**”), Adlodia Tahirhusen Mohamadbhai (“**Accused No. 2**”), our Company (“**Accused No. 3**”) and Modha Jitendra Bhikubhai (“**Accused No. 4**”) together with Accused Nos. 1, 2 and 3 referred to as “**Accused**”) before JMFC Taluka Court, Danta for violation of section 17 and 18 read with and punishable under section 29 of the Insecticide Act, 1968. The insecticide supplied by our Company were allegedly not conforming to the standard specifications with

respect to the present active ingredient (Emamectin Benzoate 1.9% EC) content requirements and hence the Complainant alleged the same to be falsely branded. The matter is currently pending.

#### ***Criminal litigations initiated by our Company***

1. There are 31 cases filed by our company under section 138 of the Negotiable Instruments Act, 1881, seeking claims aggregating to ₹ 19.44 million. These cases are pending at various stages before the Mirzapur Court, Ahmedabad.

#### **B. Other outstanding litigation involving our Company**

#### ***Civil litigations against our Company***

2. A commercial suit no. 1225 of 2018 (“**Commercial Suit**”) has been filed by Sulphur Mills Limited (“**Plaintiff**”) against our Company and Safal Agro Seeds (“**Defendant No. 2**” together with our Company referred to as “**Defendants**”) before the High Court of Delhi for infringement of Indian Patent No. 282429 (“**Suit Patent**”) which is an agricultural composition comprising an effective amount of sulphur active ingredient. The Plaintiff claims that the Suit Patent is registered in its name, however our Company has filed an objection against the Suit Patent on October 7, 2017 and the determination of validity of the Suit Patent is pending before the Controller of Patents. The Plaintiff has duly alleged that, our Company is manufacturing and selling an agricultural composition under the brand name Suffar 90, which is similar to the composition described and claimed under Suit Patent. Consequently, the Plaintiff has, inter alia, filed this present Commercial Suit against the Defendant for seeking a decree for permanent injunction and restraining the Defendants from manufacturing, selling, offering for sale, using, exporting, importing directly or indirectly dealing in the Patent Suit. Vide order dated August 2, 2021, an injunction order had been passed against our Company restraining us from manufacturing or selling sulphur active ingredient. The matter is currently pending.
3. A commercial suit no. 18 of 2021 (“**Commercial Suit**”) has been filed by Paxchem Limited (“**Plaintiff**”) against our Company (“**Defendant No. 1**”), Rameshbhai Talavia (“**Defendant No. 2**”) and Nimesh Patel (“**Defendant No. 3**” together with Defendant Nos. 1 and 2 referred to as “**Defendants**”) before the High Court of Bombay. The Plaintiff has filed the present Commercial Suit for recovery of damages and losses incurred by the Plaintiff on account of the unlicensed supply of Carbendazim Technical by the Defendants to the Plaintiff during the period between August 2019 to February, 2020. The Plaintiff has also alleged that Carbendazim Technical was not approved by CIB and the Defendants did not possess any license/ permit from any State Authority to manufacture and supply the same. Consequently, the Plaintiff has *vide* this present Commercial Suit, *inter alia*, claimed a sum of ₹ 69.78 million along with interest at the rate of 18% p.a. for the date of filing the Commercial Suit till payment and realization thereof and sought to restrain the Defendants by an order of injunction from claiming any amounts from the Plaintiff for the unlicensed Carbendazim Technical. The matter is currently pending.

#### ***Civil litigations initiated by our Company***

1. A special civil suit no. 219 of 2020 (“**Suit**”) has been filed by our Company against Paxchem Limited (“**Defendant No. 1**”), Xerxes Pervez Batliwala (Director of Defendant No. 1) (“**Defendant No. 2**”), Shreyas alias Ashok Narayan Pathare (Director of Defendant No. 1) (“**Defendant No. 3**”) and Pervez Minocher Batliwala (Director of Defendant No. 1) (“**Defendant No. 4**” together with Defendant No. 1, 2 and 3 known as “**Defendants**”) before High Court of Bombay. Our company has filed the present suit for recovery of ₹ 5.14 million including interest towards unpaid invoices issued by our Company and to permanently restrain the defendants or its officers or agents from executing and implementing the notice dated September 28, 2020 issued by Defendant No. 1. The matter is currently pending.
2. A commercial trademark suit no. 19 of 2018 (“**Suit**”) has been filed by our Company along with others (“**Plaintiffs**”) against Sulphur Mills Limited (“**Defendant No. 1**”), Sunrise Agro Industries (“**Defendant No. 2**”), Jaylaxmi Industries (“**Defendant No. 3**”), Era Formulation (“**Defendant No. 4**”), Yogleela Sulphur and Agchem India Private Limited (“**Defendant No. 5**”), APN Sulphur WDG (“**Defendant No. 6**”) and Kaival

Agro Industries (“**Defendant No. 7**” together with Defendant Nos. 1 to 6 referred to as “**Defendants**”) before the Commercial Court, Ahmedabad under section 106 of the Patents Act, 1970 against. The Suit has been filed for illegally giving groundless threats of the infringement of patent no. 282429 (“**Suit Patent**”) against which our Company has filed an objection and the determination of validity of the Suit Patent is pending before the competent authority. The Plaintiffs have *inter alia* sought for directions to (i) restrain the Defendant No. 1, by an order of permanent injunction to not issue the legal or groundless threats to the Plaintiffs in respect of the alleged infringement of Patent No. 185398 and 282429, (ii) for declaring the legal groundless threats issued by Defendant No.1 to the Plaintiffs as unjustifiable and illegal and (iii) for directing the Defendants to pay to the Plaintiffs a sum of ₹ 15.00 million towards the loss and damages accrued by the Plaintiffs . Pursuant to the government notification dated April 15, 2019, the present suit is transferred to Small Causes Court, Ahmedabad. The matter is currently pending.

**C. Outstanding actions by Statutory Authorities or Regulatory Authorities against our Company**

1. Our Company received a show cause notice (“**Notice**”) dated August 15, 2021, under section 21A of the Insecticide Act, 1968 from the Insecticide Inspector cum Taluka Agriculture Officer, North Solapur, District Solapur (Maharashtra) (“**Inspector**”). The Inspector has issued the Notice to our Company for contravention of the provisions of section (3)(k)(i), 17(i)(a) and 18(i)(c) of the Insecticide Act, 1968 and rules 17, 18, 19 of Insecticide Rule 1971 and condition stipulated in the license registration granted in favour of our Company by the Government. Our Company has duly filed a reply to the said Notice on August 18, 2021.

**D. Outstanding tax proceedings involving our Company**

Nil

**II. LITIGATIONS INVOLVING OUR PROMOTERS**

**A. Outstanding criminal litigations involving our Promoters**

*Criminal litigations against our Promoters*

As on the date of this Red Herring Prospectus, there are no outstanding criminal litigations initiated against our Promoters.

*Criminal litigations initiated by our Promoters*

As on the date of this Red Herring Prospectus, there are no outstanding criminal litigations initiated by our Promoters.

**B. Other outstanding litigations involving our Promoters**

*Civil litigations against our Promoters*

Except as disclosed in “-Civil Litigation against our Company” above on page no. 309, there are no outstanding civil litigations against our Promoters.

*Civil litigations initiated by our Promoters*

As on the date of this Red Herring Prospectus, there are no outstanding civil litigations initiated by our Promoters.

**C. Outstanding actions by Statutory or Regulatory authorities against our Promoters**

As on the date of this Red Herring Prospectus, there are no outstanding action initiated by Statutory or Regularity authorities against our Promoters.

**D. Outstanding tax proceedings against our Promoters**

As on the date of this Red Herring Prospectus, there are no outstanding tax proceedings initiated against our Promoters.

### III. LITIGATIONS INVOLVING OUR DIRECTORS

#### A. Criminal litigations involving our Directors

##### *Criminal litigations against our Directors*

As on the date of this Red Herring Prospectus there are no outstanding criminal litigations initiated against our Directors.

##### *Criminal litigations initiated by our Directors*

As on the date of this Red Herring Prospectus there are no outstanding criminal litigations initiated by our Directors.

#### B. Other outstanding litigations involving our Directors.

##### *Civil litigations against our Directors*

Except as disclosed in “*Civil Litigation against our Company*” above on page no. 309, there are no outstanding civil litigations against our directors.

##### *Civil litigations initiated by our Directors*

As on the date of this Red Herring Prospectus there are no outstanding civil litigations initiated by our Directors.

#### C. Outstanding actions by Statutory or Regulatory Authorities against any of our Directors

As on the date of this Red Herring Prospectus there are no outstanding actions initiated by the Statutory or Regular Authorities against our Directors.

#### D. Outstanding tax proceedings involving our Directors

As on the date of this Red Herring Prospectus there are no outstanding tax proceedings initiated against our Directors.

#### Outstanding dues to creditors

As per the Materiality Policy, creditors to whom an amount exceeding ₹ 69.68 million, which is 5% of the total trade payables of our Company as on July 31, 2022, as per the Restated Financial Statement, were considered ‘material’ creditors. Based on the above, there are 4 material creditors as at July 31, 2022 to whom an aggregate amount of ₹ 597.08 million was outstanding. Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under section 2 of Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as on July 31, 2022 by our Company, are set out below:

Types of Creditors	Number of Creditors	Amount involved* (in ₹ million)
Micro, small and medium enterprises	-	-
Material Creditors	4	597.08
Other Creditors	208	813.66
<b>Total</b>	<b>212</b>	<b>1,410.74</b>

*\*All the Figures of creditors have been rounded off to the nearest Million (with two places of decimal)*

The details pertaining to net outstanding dues towards our material creditors as on July 31, 2022 (along with the names and amounts involved for each such material creditor) are available on the website of the Company at

<https://www.dharmajcrop.com/creditors-outstanding/>.

### **Material Developments**

Except as stated in “*Management’s Discussion and Analysis of Financial Condition and Results of Operation – Significant Development after July 31, 2022*” on page 307, no circumstances have arisen since July 31, 2022, the date of the last Restated Financial Statements disclosed in this Red Herring Prospectus, any circumstances which materially and adversely affect or are likely to affect the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS

*Our Company has received the necessary material consents, licenses, permissions, registrations and approvals from the various governmental agencies and other statutory and/ or regulatory authorities required for carrying out their present business activities. Set out below is a list of consents, licences, permissions, registrations and approvals from various government and regulatory authorities obtained by our Company which are material and necessary for undertaking our business activities and operations. Additionally, unless otherwise stated, these material consents, licenses, permissions, registrations and approvals are valid as on the date of this Red Herring Prospectus. Certain approvals may have lapsed in their normal course and our Company has either made applications to the appropriate authorities for renewal of such licenses and/or approvals or is in the process of making such applications. For details in connection with the regulatory and legal framework within which we operate, see “Key Regulations and Policies” on page 178.*

### **I. Approvals in relation to incorporation of our Company**

For details in relation to the incorporation of our Company, see “*History and Certain Corporate Matters*”, beginning on page 185.

### **II. Approvals in relation to the Offer**

For the approvals and authorisations obtained by our Company in relation to the Offer, see “*Other Regulatory and Statutory Disclosures – Authority for the Offer*”, beginning on page 316.

### **III. Tax Approvals in relation to our Company**

1. Permanent account number AAFCD2307P issued by the Income Tax Department, Government of India.
2. Tax deduction account number AHMD08382D issued by the Income Tax Department, Government of India.
3. Profession tax registration certificate issued by the Profession Tax Department, Amdavad Municipal Corporation under the Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976.
4. We have obtained GST registrations for the states where we have our business operations.

### **IV. Foreign trade related approvals**

1. Importer-Exporter Code (IEC) number 0815904924 issued by the Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India.
2. Certificate of recognition issued by the Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India, granting the status of ‘One Star Export House’ to our Company.

### **V. Material approvals in relation to the business operations of our Company**


1. License to work a factory issued by the Directorate Industrial Safety & Health, Gujarat State, under the Factories Act, 1948 and the rules made thereunder.
2. Consent to Establish under the Water (Prevention and Control of Pollution) Act 1974, Air Act 1981 and the Hazardous Waste (Management & Handling & Transboundary Movement) Rules, 2008, issued by the Environmental Engineer, Gujarat Pollution Control Board.
3. Fire safety certificate issued by the Regional Fire Officer, State Fire Prevention Services, Gandhinagar Region.
4. License to manufacture insecticides under the Insecticides Act, 1968 and the Insecticides Rules, 1971, issued by the Licensing Authority and Deputy Director of Agriculture (Pesticide) Gujarat State, Gandhinagar.



5. No objection issued by the Licensing Authority and Deputy Director of Agriculture (Pesticide) Gujarat State, Gandhinagar, for marketing of insecticides products manufactured by our Company under the Insecticides Act, 1968 and the Insecticides Rules, 1971.
6. Licenses to sell, stock or exhibit for sale or distribute insecticides, issued under the Insecticides Act, 1968 and the Insecticides Rules, 1971.
7. Registrations of our insecticides with the Central Insecticides Board and Registration Committee under the Insecticides Act, 1968 and the Insecticides Rules, 1971.
8. Letter of authorisation entitling the Company to carry on the business of fertilizers for a period of 5 years issued by the various state authorities.
9. License to import and store petroleum in an installation issued by Jt. Chief Controller of Explosives, Petroleum & Safety Organisation, Ministry of Commerce and Industry, Government of India, under the Petroleum Act, 1934 and Petroleum Rules, 2002.
10. Certificate of stability issued D.M. Engineers, Industrial Planning Division, certifying all the works of engineering construction in the factory premises of the Company is structurally sound.
11. Certificate for inspection and testing of thermic fluid heater under the Factories Act, 1948 and Gujarat Factories Rules (Amendment), 1995, issued by the Gujarat Industrial Safety and Health Services.
12. Verification certificates issued by the Office of the Controller, Legal Metrology, Gujarat State, in relation to weights and measurements.
13. BIS Certification Marks License issued by the Bureau of Indian Standards, Ministry of Consumer Affairs under the Bureau of Indian Standards Act, 2016, for certification of marks in relation to certain products of the Company.
14. Employees State Insurance code allotted by the Employees' State Insurance Corporation under the Employees' State Insurance Act, 1948.
15. Provident Fund code number allotted by the Employees' Provident Fund Organisation under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952.
16. Shops and Establishment Registration Certificate issued by the Amdavad Municipal Corporation under the Gujarat Shops and Establishments (Regulations of Employment and Conditions of Service) Act, 2019.
17. Certificate of registration under sub-section of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970, issued by the Assistant Labour Commissioner, Assistant Labour Commissioner Office, Ahmedabad.

## **VI. Intellectual property related approvals**

As on the date of this Red Herring Prospectus, our Company has 157 trademarks registered under various classes

with the Registrar of Trade Marks under the Trade Marks Act, 1999. This includes our logo  appearing on the cover page of this Red Herring Prospectus being registered with the Registrar of Trade Marks under classes 1, 5 and 35. Further, our Company has filed 31 applications for registration of trademarks under the Trade Marks Act, 1999, which are pending at various stages.

## **VII. Approvals applied for but not received**

1. Our Company has filed an application to the Director of Agriculture, Tamil Nadu for the grant of license to sell, stock or exhibit for sale or distribute insecticides under the Insecticides Act, 1968 and the Insecticides Rules,

1971.

2. Our Company has filed an application to the District Office Agriculture (District – Kamrup), Assam for obtaining wholesale licence for fertilizers.
3. Our Company has filed an application to the Agriculture Department, Government of Bihar for obtaining fertilizer licence.
4. Set forth below are the details of the applications filed by our Company for the registration of insecticides with the Central Insecticides Board and Registration Committee under the Insecticides Act, 1968 and the Insecticides Rules, 1971.

Sr. No.	Name of the insecticides	Application number	Application date
1.	Acetamiprid 2% + Imidacloprid 3% WP	179054	November 2, 2021
2.	Fenpyroximate 5% SC	186984	January 25, 2022
3.	Metsulfuron methyl 10% w/w + Carfentrazone ethyl 40% w/w DF	308885-F/9(4)2022	July 6, 2022
4.	Spinetoram 11.7% SC w/w	308875-F/9(4)2022	July 6, 2022
5.	TRICYCLAZOLE 20.4% w/w + AZOXYSTROBIN 6.8% w/w SC	308470-F/9(4)2022	July 6, 2022
6.	Metiram 70% WG	308271-F/9(4)2022	July 6, 2022
7.	METIRAM 44% + DIMETHOMORPH 9% WG	308235-F/9(4)2022	July 6, 2022
8.	Copper Sulphate 47.15% + Mancozeb 30% WDG	307864-F/9(4)2022	July 6, 2022
9.	Carfentrazone-ethyl 0.43% + Glyphosate 30.82% EW	307820-F/9(4)2022	July 6, 2022
10.	Cymoxanil 50% WP	326132-F/9(4)2022	July 28, 2022
11.	Ziram-80% WP	326129-F/9(4)2022	July 28, 2022
12.	Ziram 27% SC	326127-F/9(4)2022	July 28, 2022
13.	Imidacloprid 96% Min	326354-Export/9(3)2022	July 29, 2022
14.	Lambacyhalothrin 24% WG	326864-Export/9(3)2022	July 29, 2022
15.	Ametryn 80% WG	355380-F/9(4)2022	September 21, 2022
16.	Pyriproxyfen 5% + Fenpropathrin 15% EC	355368-F/9(4)2022	September 21, 2022
17.	Gibberellic Acid 40% WSG	355365-F/9(4)2022	September 21, 2022
18.	Fenpropathrin 30 % EC	355359-F/9(4)2022	September 21, 2022

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

The Offer has been authorized by a resolution of our Board dated November 18, 2021, and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated November 25, 2021 in terms of Section 62(1)(c) of the Companies Act.

The Draft Red Herring Prospectus has been approved by our Board pursuant to its resolution passed on January 18, 2022 and by the IPO Committee pursuant to its resolution passed on January 27, 2022. Further, the Board has approved this Red Herring Prospectus pursuant to resolutions dated November 21, 2022. The Board has approved the Employee Reservation Portion pursuant to resolution dated November 21, 2022.

Each of the Selling Shareholders has, severally and not jointly, authorized and confirmed inclusion of its portion of the Offered Shares as part of the Offer for Sale, as set out below:

Sr. No.	Name of the Selling Shareholder	Number of Equity Shares offered in the Offer for Sale	Date of the consent letter to participate in the Offer for Sale
1.	Manjulaben Rameshbhai Talavia	709,500	January 18, 2022
2.	Muktaben Jamankumar Talavia	656,000	January 18, 2022
3.	Domadia Artiben	87,500	January 18, 2022
4.	Ilaben Jagdishbhai Savaliya	30,000	January 18, 2022

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated March 04, 2022 and March 07, 2022, respectively.

### Prohibition by SEBI, the RBI or other Governmental Authorities

Our Company, the Selling Shareholders, Promoters, members of our Promoter Group, Directors and persons in control of our Company are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters or Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

### Directors associated with the Securities Market

None of our Directors are associated with securities market related business, in any manner.

### Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, the Selling Shareholders, Promoters and members of our Promoter Group are compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Red Herring Prospectus.

### Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

- b) Our Company has an average operating profit of at least ₹150 million, calculated on a restated, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- c) Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated basis; and
- d) there has been no change of name of our Company at any time during the last one year immediately preceding the date of filing of this Red Herring Prospectus, other than conversion from a private limited company to a public limited company.

Our Company's operating profit, net worth, net tangible assets and monetary assets derived from the Restated Financial Information included in this Red Herring Prospectus as at, and for the last three years ended March 31 are set forth below:

Derived from our Restated Financial Information:

*(in ₹ million except as indicated)*

<b>Particulars</b>	<b>Fiscal 2022</b>	<b>Fiscal 2021</b>	<b>Fiscal 2020</b>
Net tangible assets, as restated <sup>(1)</sup>	823.28	559.46	351.05
Monetary assets, as restated <sup>(2)</sup>	9.52	9.53	2.99
Monetary assets as a percentage of net tangible assets (%), as restated	1.16	1.70	0.85
Operating profit, as restated <sup>(3)</sup>	388.38	282.83	154.59
Net worth, as restated <sup>(4)</sup>	828.15	561.44	352.15

*Notes:*

- (1) 'Net tangible assets' means the sum of all net assets of the Company, excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38 and deferred tax assets as defined in Ind AS 12 and excluding the impact of deferred tax liabilities as defined in Ind AS 12 issued by Institute of Chartered Accountants of India.
- (2) 'Monetary assets' is the aggregate of cash on hand and balance with banks (including other bank balances and interest accrued thereon).
- (3) 'Operating Profit' has been calculated as [as profit before Interest cost, other income, and exceptional item and tax expenses].
- (4) 'Net worth' means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, , after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

Our Company has operating profits in each of Fiscal 2022, 2021 and 2020 in terms of our Restated Financial Statements. Our average operating profit for Fiscals 2022, 2021 and 2020 is ₹ 275.27 million.

Our Company confirms that it is in compliance with the 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.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

- (a) None of our Company, our Promoters, members of our Promoter Group, our Directors or the Selling Shareholders are debarred from accessing the capital markets by SEBI.
- (b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI.

- (c) None of our Company, our Promoters or Directors is a Wilful Defaulter or Fraudulent Borrower.
- (d) None of our Promoters or Directors has been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.
- (e) There are no convertible securities that are required to be converted on or before the filing of this Red Herring Prospectus;
- (f) 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 Red Herring Prospectus.

Each Selling Shareholder, severally and not jointly, confirms that it is in compliance with Regulation 8 of the SEBI ICDR Regulations.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BRLMs, ELARA CAPITAL (INDIA) PRIVATE LIMITED AND MONARCH NETWORK CAPITAL LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE 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, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JANUARY 27, 2022, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.**

**THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, AS AMENDED OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMs, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.**

#### **Disclaimer from our Company, our Directors, the Selling Shareholders and the BRLMs**

Our Company, our Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website, [www.dharmajcrop.com](http://www.dharmajcrop.com), or any website of any of the members of our Promoter Group, Group Companies or any affiliate of our Company, would be doing so at his or her own risk. Each of the Selling Shareholders and their respective directors, affiliates, associates and officers accept/undertake no responsibility for any statements made or undertakings provided other than those specifically undertaken or confirmed by such Selling Shareholders, and only in relation to itself and/or to the respective

Offered Shares.

The BRLMs accept no responsibility for the information in this Red Herring Prospectus, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

Neither the delivery of this Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

All information shall be made available by our Company, the Selling Shareholders (to the extent of themselves and their Offered Shares) and the BRLMs to the Bidders and public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Neither our Company nor the Selling Shareholders nor any member of the Syndicate shall be liable to the Bidders for any failure in uploading the Bids, due to faults in any software or hardware system, or otherwise; the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

The BRLMs and their respective associates may engage in transactions with, and perform services for our Company, the Selling Shareholders and their respective affiliates or associates 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 or the Selling Shareholders or their respective affiliates or associates for which they have received, and may in future receive compensation.

Our Company, the Selling Shareholders and the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

#### **Disclaimer in respect of jurisdiction**

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at Ahmedabad, India only.

#### **Eligibility and Transfer Restrictions**

This Offer 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 authorized to invest in equity shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), trusts under the applicable trust laws and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act 2013, venture capital funds, permitted insurance companies and pension funds, permitted non-residents including Eligible NRIs, AIFs, FPIs registered with SEBI and QIBs.

Bidders are advised to ensure that any Bid does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law.

Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to this Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises this Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

The Equity Shares offered in the Offer have not been and will not be registered, listed or otherwise qualified in any

jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States and may not be offered or sold in the United States (as defined in Regulation S under the U.S. Securities Act (“**Regulation S**”)) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in “offshore transactions” as defined in and in reliance on Regulation S.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of the Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act, unless made pursuant to available exemptions from the registration requirements of the U.S. Securities Act.

**Each purchaser of the Equity Shares in the Offer who does not receive a copy of the preliminary offering memorandum for the Offer shall be deemed to:**

- Represent and warrant to our Company, the Selling Shareholders and members of the Syndicate that it is in India.
- Represent and warrant to our Company, the Selling Shareholders and members of the Syndicate that its Bid did not exceed investment limits or the maximum number of Equity Shares that can be held by it under applicable law.
- Acknowledge that the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or the laws of any state of the United States and are being offered and sold to it in reliance on Regulation S.
- Represent and warrant to our Company, Selling Shareholders and the members of the Syndicate that it was outside the United States (as defined in Regulation S) at the time the Offer of the Equity Shares offered in the Offer was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares offered in the Offer was originated.
- Represent and warrant to our Company, the Selling Shareholders and the members of the Syndicate that it did not purchase the Equity Shares offered in the Offer as result of any “directed selling efforts” (as defined in Regulation S).
- Represent and warrant to our Company, the Selling Shareholders and the members of the Syndicate that it bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares purchased in the Offer, it agrees that it will not offer, sell, pledge or otherwise transfer any such Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration requirements under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.
- Agree to indemnify and hold our Company, the Selling Shareholders and the members of the Syndicate harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares purchased in the Offer.
- Represent and warrant to our Company, the Selling Shareholders and the members of the Syndicate that if it acquired any of the Equity Shares offered in the Offer as fiduciary or agent for one or more investor account(s), it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.
- Represent and warrant to our Company, Selling Shareholders and the members of the Syndicate that if it acquired

any of the Equity Shares offered in the Offer for one or more managed account(s), that it was authorized in writing by each such managed account to subscribe to the Equity Shares offered in the Offer for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.

- Acknowledge that our Company, Selling Shareholders, the members of the Syndicate and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

References above to ‘it’ in the case of individuals means “he” or ‘she”, as the case may be.

#### **Disclaimer clause of BSE**

As required, a copy of this Red Herring Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of the Draft Red Herring Prospectus is set for below:

*“BSE Limited (“the Exchange”) has given vide its letter dated March 04, 2022, permission to this Company to use the Exchange’s name in this offer document as one of the stock exchanges on which this company’s securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner: -*

- a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or*
- b) warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or*
- c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;*

*and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever”*

#### **Disclaimer clause of NSE**

As required, a copy of this Red Herring Prospectus shall be submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of the Draft Red Herring Prospectus is set for below:

*“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/1518 dated March 07, 2022, permission to the Issuer to use the Exchange’s name in this Offer Document as one of the Stock Exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer*

*Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”*

#### **Listing**

The Equity Shares issued through this Red Herring Prospectus are proposed to be listed on the Stock Exchanges.



Application has been made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares being offered and sold in the Offer and NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date. If our Company does not allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer 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.

The Selling Shareholders undertakes to provide such reasonable support and extend reasonable cooperation as may be required and requested by our Company, to the extent such support and cooperation is required from such Selling Shareholder to facilitate the process of listing and commencement of trading of their respective portion of the Offered Shares on the Stock Exchanges within six working days from the Bid/Offer Closing Date.

### **Consents**

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, legal counsel to Offer, advisor to the Offer, the Bankers to our Company, Statutory Auditors, CARE Advisory Research and Training Limited, Resurgent India Limited and the Registrar to the Offer have been obtained; and the consents in writing of the Syndicate Members, Escrow Collection Banks, Public Offer Account Bank, Refund Bank, and Sponsor Bank to act in their respective capacities, will be obtained. Further, such consents shall not be withdrawn up to the time of filing of this Red Herring Prospectus with RoC.

### **Expert opinion**

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

Our Company has received written consent from our Statutory Auditors to include their name in this Red Herring Prospectus as an “expert” as defined under Section 2(38) read with Section 26 of the Companies Act 2013 to the extent and in their capacity as the statutory auditor of our Company and in respect of their examination report on our Restated Financial Information dated November 10, 2022 and in respect of the statement of special tax benefits dated November 1, 2022. The consent has not been withdrawn as of the date of this Red Herring Prospectus. The term “experts” and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

In addition, our Company has received written consents dated September 23, 2022 from Devang Shah, as chartered engineer to include his name as an “expert” as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013 in respect of the certificate dated September 23, 2022, on the manufacturing capacity at the Company’s manufacturing facility and its utilization at the manufacturing facility including other details, and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

### **Particulars regarding public or rights issues undertaken by our Company during the last five years**

Except as disclosed in the section entitled “*Capital Structure*” on page 83, there have been no public issues or rights issues undertaken by our Company during the five years immediately preceding the date of this Red Herring Prospectus.

### **Commission or brokerage on previous issues during the last five years**

Since this is the initial public offering of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares in the five years preceding the date of this Red Herring Prospectus.

**Capital Issues in the preceding three years**

Except as disclosed in the section entitled “*Capital Structure*” on page 83, our Company has not made any capital issues during the three years immediately preceding the date of this Red Herring Prospectus. None of our Group Companies are listed on any stock exchange. Accordingly, none of our Group Companies have made any capital issues during the three years immediately preceding the date of this Red Herring Prospectus.

**Performance *vis-à-vis* objects - Public/ rights issue of our Company**

Except as disclosed in the section entitled “*Capital Structure*” on page 83, our Company has not undertaken any public, including any rights issues to the public in the five years immediately preceding the date of this Red Herring Prospectus.

**Performance *vis-à-vis* objects: Public/ rights issue of the listed Subsidiaries and listed Promoters**

As of the date of this Red Herring Prospectus, our Company does not have a subsidiary company or any corporate promoters.

## Price information of past issues handled by the BRLMs

### A. Elara Capital (India) Private Limited

Price information of past issues handled by Elara Capital (India) Private Limited

S. No.	Issue Name	Issue Size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180th calendar days from listing
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NIL

Summary statement of price information of past issues handled by Elara Capital (India) Private Limited:

Fiscal year	Total no. of IPOs	Total funds raised (₹ million)	Number of IPOs trading at a discount as on 30th calendar day from listing day			Number of IPOs trading at a premium as on 30th calendar day from listing day			Number of IPOs trading at a discount as on 180th calendar day from listing day			Number of IPOs trading at a premium as on 180th calendar day from listing day		
			Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%
2020-2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2022-2023*	-	-	-	-	-	-	-	-	-	-	-	-	-	-

\* The information is as on the date of this Red Herring Prospectus

Note:

1. The information for each of the financial years is based on issues listed during such financial year.
2. 30th and 180th calendar day from listing day have been taken as listing day plus 29 and 179 calendar days respectively, except wherever 30th and 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day.

### B. Monarch Network Capital Limited

Price information of past issues handled by Monarch Network Capital Limited

Sr. No.	Issue Name	Issue Size (₹ in million)	Issue Price (₹)	Listing date	Opening price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
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NIL

Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

Notes:

1. The opening price is based on the date of listing.
2. BSE SENSEX and NSE NIFTY has been considered as the Benchmark Index.
3. Prices on BSE / NSE is considered for all the above information.
4. In case 30<sup>th</sup> / 90<sup>th</sup> / 180<sup>th</sup> day is not a trading day, closing price on BSE / NSE of the previous trading day has been considered.
5. In case, on 30<sup>th</sup> / 90<sup>th</sup> / 180<sup>th</sup> day, scrip are not traded, then the previous trading price has been considered.

Summary statement of price information of past issues handled by Monarch Network Capital Limited:

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in million.)	Nos. of IPOs trading at discount as on 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium as on 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at discount as on 180 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium as on 180 <sup>th</sup> calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2020-2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020-2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-2023*	-	-	-	-	-	-	-	-	-	-	-	-	-	-

\* The information is as on the date of this Red Herring Prospectus

## Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs as set forth in the table below:

S. No.	Name of the BRLMs	Website
1.	Elara Capital (India) Private Limited	www.elaracapital.com
2.	Monarch Network Capital Limited	www.mnclgroup.com

## Stock market data of the Equity Shares

As the Offer is the initial public offering of the Equity Shares, the Equity Shares are not listed on any stock exchange as on the date of this Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

## Mechanism for redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a minimum period of eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

**Bidders can contact the Company Secretary and Compliance Officer and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs or the Registrar to the Offer, in the manner provided below.**

All grievances, other than by Anchor Investors, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, where the Bid cum Application Form was submitted, quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number (for Bidders other than UPI Bidders bidding through the UPI mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of RIIs applying through the UPI mechanism in which the amount equivalent to the Bid Amount is blocked. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, 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 BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

The Company will obtain authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 and SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021, in relation to redressal of investor grievances through SCORES.

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.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer. Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

Our Company has not received any investor complaint during the three years preceding the date of this Red

Herring Prospectus. There are no investor complaint in relation to our Company pending as on the date of this Red Herring Prospectus. Our Group Companies are not listed on any stock exchange.

Our Company, the Selling Shareholders, the BRLMs and the Registrar to the Offer 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 estimate that the average time required by our Company and/or the Registrar to the Offer for the redressal of routine investor grievances shall be 15 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Malvika Bhadreshbhai Kapasi, our Company Secretary, as our Compliance Officer. For details, please see the section entitled “*General Information*” on page 74.

Further, our Board has constituted the Stakeholders Relationship Committee which is responsible for redressal of grievances of the security holders of our Company. For further information, please see the section entitled “*Our Management – Corporate Governance*” on page 196.

#### **Disposal of investor grievances by listed Group Companies and Subsidiaries**

As on the date of this Red Herring Prospectus, our Group Companies are not listed on any stock exchange, and therefore there are no investor complaints pending against them. Further, as on the date of this Red Herring Prospectus, our Company does not have a listed subsidiary.

#### **Exemption from complying with any provisions of securities laws, if any, granted by SEBI**

As on the date of this Red Herring Prospectus, our Company has not been granted by SEBI any exemption from complying with any provisions of securities laws.

## SECTION VII: OFFER RELATED INFORMATION

### TERMS OF THE OFFER

The Equity Shares being issued pursuant to the Offer are subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, the MoA, the AoA, the SEBI Listing Regulations, the terms of this Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the Abridged Prospectus and other terms and conditions as may be incorporated in the confirmation of allocation notes (for Anchor Investors), Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to issue and offer for sale and listing and trading of securities, issued from time to time, by SEBI, Government of India, Stock Exchanges, the RoC, the RBI and/or other authorities to the extent applicable or such other conditions as may be prescribed by such governmental and/or regulatory authority while granting approval for the Offer.

#### Ranking of the Equity Shares

The Equity Shares being offered and allotted in the Offer will be subject to the provisions of the Companies Act, SEBI Listing Regulations, the Memorandum of Association and the Articles of Association and will rank *pari passu* with the existing Equity Shares, including in respect of dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further information, please see the sections entitled “*Dividend Policy*” and “*Description of Equity Shares and Terms of the Articles of Association*” on pages 217 and 360, respectively.

#### Mode of Payment of Dividend

Our Company will pay dividend, if declared, to our equity shareholders, as per the provisions of the Companies Act, the SEBI Listing Regulations, our Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the Government of India in this respect.

All 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 the Offer, including pursuant to the Offer for Sale, for the entire year, in accordance with applicable law. For further information, please see the section entitled “*Dividend Policy*” and “*Description of Equity Shares and Terms of the Articles of Association*” on pages 217 and 360, respectively.

#### Face Value and Price Band

The face value of each Equity Share is ₹ 10. The Floor Price of the Equity Shares is ₹ [●] and the Cap Price of the Equity Shares is ₹ [●]. The Anchor Investor Offer Price is ₹ [●].

The Offer Price, Price Band, Employee Discount (if any) and the minimum Bid Lot size for the Offer will be decided by our Company and Selling Shareholder, in consultation with the Book Running Lead Managers, and advertised in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and regional edition of Financial Express, a Gujarati newspaper, Gujarati being the regional language of Gujarat, where our Registered Office is located, each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their respective 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 respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point in time there will be only one denomination for the Equity Shares.

#### The Offer

The Offer comprises a Fresh Issue and an Offer for Sale by the Selling Shareholders.

Expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in “*Objects of the Offer - Offer Expenses*” on page 113.

## **Rights of the Equity Shareholders**

Subject to applicable law and our Articles of Association, the equity Shareholders will have the following rights:

- Right to receive dividends, if declared.
- Right to attend general meetings and exercise voting powers, unless prohibited by law.
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act.
- Right to receive offers for rights shares and be allotted bonus shares, if announced.
- Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied.
- Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law.
- 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 our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “*Section VIII – Description of Equity Shares and terms of the Articles of Association*” on page 360.

## **Employee Discount**

Employee Discount, if any, may be offered to Eligible Employees bidding in the Employee Reservation Portion, respectively. Eligible Employees bidding in the Employee Reservation Portion respectively at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, as applicable, at the time of making a Bid.

## **Allotment only in dematerialised form**

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, 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 on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Registrar to the Offer:

- Tripartite agreement dated May 30, 2018 amongst our Company, NSDL and Registrar to the Offer; and
- Tripartite agreement dated November 27, 2018 amongst our Company, CDSL and Registrar to the Offer.

## **Market Lot and Trading Lot**

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

## **Joint Holders**

Subject to the provisions of the AoA, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

## **Nomination facility to investors**

In accordance with Section 72 of the Companies Act, read with the rules notified thereunder, 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 to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. 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/alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by the Shareholder by nominating any other person in place of the present nominee, 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 and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon the production of such evidence as may be required by 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, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

#### **Withdrawal of the Offer**

Our Company and Selling Shareholders, in consultation with the Book Running Lead Managers, reserves the right not to proceed with the Fresh Issue, and the Selling Shareholders reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The Book Running Lead Managers, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank (in case of UPI Bidders using the UPI Mechanism), to unblock the bank accounts of the ASBA Bidders and the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed. In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Managers 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. Further, in case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Notwithstanding the foregoing, this Offer 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) filing of the Prospectus with the RoC. If our Company, or the Selling Shareholders, in consultation with the Book Running Lead Managers withdraws the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

#### **Bid/Offer Programme**

<b>BID/OFFER OPENS ON</b>	<b>November 28, 2022<sup>(1)</sup></b>
<b>BID/OFFER CLOSES ON</b>	<b>November 30, 2022</b>

(1) *Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date*

shall be one Working Day prior to the Bid/Offer Opening Date.

An indicative timetable in respect of the Offer is set out below:

<b>Event</b>	<b>Indicative Date</b>
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about December 5, 2022
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about December 6, 2022
Credit of Equity Shares to demat accounts of Allottees	On or about December 6, 2022
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about December 8, 2022

\* In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date 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 by the intermediary responsible for causing such delay in unblocking (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking.

The above timetable is indicative and does not constitute any obligation or liability on our Company or the Selling Shareholders or Book Running Lead Managers.

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 Working Days of the Bid/Offer Closing Date or such other period as may be prescribed, with reasonable support and co-operation of the Selling Shareholder, as may be required in respect of its Offered Shares, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers, 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. The Selling Shareholders confirm that they shall extend such reasonable support and co-operation in relation to the Offered Shares for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

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

Submission of Bids (other than Bids from Anchor Investors):

<b>Bid/Offer Period (except the Bid/Offer Closing Date)</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian

	Standard Time (“IST”)
<b>Bid/Offer Closing Date*</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

*\*UPI mandate end time and date shall be at 5.00 pm on Bid/Offer Closing Date*

**On the Bid/Offer Closing Date, the Bids shall be uploaded until:**

- a. until 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- b. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIIs .

On Bid/Offer Closing Date, extension of time may 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 Book Running Lead Managers to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB’s on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB’s shall unblock such applications by the closing hours of the Working Day.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked in the relevant ASBA Account would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and in any case no later than 1:00 p.m. IST on the Bid/ Offer Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer 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 the Offer. Bids and revisions in Bids will be accepted only during Working Days. Bids will be accepted only during Monday to Friday (excluding any public holiday), during the Bid/Offer period. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; and (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers reserve the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price will not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price, provided that the Cap Price shall be atleast 105% of the Floor Price.

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 the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

**In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer 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 websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries.**

## **Minimum Subscription**

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Fresh Issue on the Bid/Offer Closing Date; or subscription level falls below aforesaid minimum subscription after the Bid/Offer Closing Date due to withdrawal of Bids or technical rejections or any other reason; or in case of devolvement of Underwriting, aforesaid minimum subscription is not received within 60 days from the date of Bid/Offer Closing Date or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Offer, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay beyond four days after our Company 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.

In the event of achieving aforesaid minimum subscription, however, there is under-subscription in achieving the total Offer size, the Equity Shares will be Allotted in the following order:

- (i) such number of Equity Shares will first be Allotted by our Company such that 90% of the Fresh Issue portion is subscribed;
- (ii) upon (i), all the Equity Shares held by the Selling Shareholders and offered for sale in the Offer for Sale will be Allotted (in proportion to the Offered Shares being offered by each Selling Shareholder); and
- (iii) once Equity Shares have been Allotted as per (i) and (ii) above, such number of Equity Shares will be Allotted by our Company towards the balance 10% of the Fresh Issue portion;

No liability to make any payment of interest or expenses shall accrue to the Selling Shareholders unless the delay in making any of the payments/refund hereunder or the delay in obtaining listing or trading approvals or any other approvals in relation to the Offer is caused solely by, and is directly attributable to, an act or omission of the Selling Shareholders and to the extent of its portion of the Offered Shares. Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

## **Arrangements for Disposal of Odd Lots**

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

## **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-Offer Equity Share capital of our Company, lock-in of our Promoters' minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*", beginning on page 83 and except as provided under the AoA, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the AoA. For details, see "*Section VIII – Description of Equity Shares and Terms of the Articles of Association*", beginning on page 360.

## **New Financial Instruments**

Our Company is not issuing any new financial instruments through this Offer.

## OFFER STRUCTURE

Offer of up to [●] Equity Shares for cash at price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating to ₹[●] million comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 2,160.00 million by our Company and an Offer for Sale of up to 1,483,000 Equity Shares aggregating up to ₹[●] million, comprising of up to 709,500 Equity Shares aggregating up to ₹[●] million by Manjulaben Rameshbhai Talavia; up to 656,000 Equity Shares aggregating up to ₹[●] million by Muktaben Jamankumar Talavia; up to 87,500 Equity Shares aggregating up to ₹[●] million by Domadia Artiben and up to 30,000 Equity Shares aggregating up to ₹[●] million by Ilaben Jagdishbhai Savaliya.

The Offer comprises a Net Offer to the public of up to [●] Equity Shares and an Employee Reservation Portion of up to 55,000 \* Equity Shares (which shall not exceed 5% of the post-Issue Equity Share capital of our Company).

*\*A discount of up to 5% to the Offer Price (equivalent of ₹ [●] per Equity Share) may be offered to Eligible Employees bidding in the Employee Reservation Portion in accordance with the SEBI ICDR Regulations and details of which will be announced at least two Working Days prior to the Bid/Offer Opening Date.*

The face value of the Equity Shares is ₹ 10 each. The Offer is being made through the Book Building Process.

Particulars	Eligible Employees	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for Allotment/allocation <sup>(2)</sup>	Up to 55,000 Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and RIIs	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Investors
Percentage of Offer size available for Allotment/allocation	The Employee Reservation Portion shall constitute up to [●] of the Offer Size.	Not more than 50% of the Net Offer size shall be available for allocation to QIBs.  However, 5% of the QIB Category (excluding the Anchor Investor Portion) shall 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 category (excluding the Anchor Investor Portion). The unsubscribed portion in the	Not less than 15% of the Offer or the Net Offer less allocation to QIB Bidders and Retail Individual Investor will be available for allocation	Not less than 35% of the Net Offer or the Net Offer less allocation to QIB Bidders and Non-Institutional Investors will be available for allocation

Particulars	Eligible Employees	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
		Mutual Fund Portion, if any, will be available for allocation to other QIBs		
Basis of Allotment if respective category is oversubscribed <sup>(3)</sup>	Proportionate; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹200,000 up to ₹500,000 each.	Proportionate as follows (excluding the Anchor Investor Portion): (a) [●] Equity Shares shall be allocated 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 60% of the QIB Portion (up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price	Not less than 15% of the Net Offer or the Net Offer less allocation to QIBs and Retail Individual Bidders will be available for allocation for Non-Institutional Bidders.  One-third of the Non-Institutional Portion will be available for allocation to Non-Institutional Bidders with a Bid size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-third of the Non-Institutional Portion will be available for allocation to Non-Institutional Bidders with a Bid size of more than ₹ 1,000,000. Provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Non-Institutional Bidders in the other sub-category of Non-Institutional Bidders.	The allotment to each RII 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, please see “Offer Procedure” beginning on page 339
Mode of Bidding	Only through ASBA process (including UPI Mechanism)	Only through ASBA process (except for Anchor Investors) (excluding the UPI Mechanism)	Only through ASBA process (including UPI Mechanism for a Bid size upto ₹ 500,000)	Only through ASBA process (including UPI Mechanism)

<b>Particulars</b>	<b>Eligible Employees</b>	<b>QIBs<sup>(1)</sup></b>	<b>Non-Institutional Investors</b>	<b>Retail Individual Investors</b>
Minimum Bid	[●] Equity Shares	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter	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 so that the Bid Amount does not exceed ₹500,000	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of Offer subject to applicable limits to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, excluding QIB portion, subject to applicable limits to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialized form			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter			[●] Equity Shares and in multiples of one Equity Share thereafter subject to availability in the Retail Category
Trading Lot	One Equity Share			
Who can Apply <sup>(4)</sup>	Eligible Employees	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, mutual fund registered with SEBI, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, state industrial development corporation, insurance companies registered with IRDAI, provident fund (subject to applicable law) with minimum	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, FPIs who are individuals, corporate bodies and family offices which are classified as Category II FPIs and registered with SEBI such that the Bid Amount exceeds ₹ 200,000 in value.	Resident Indian Individuals, Eligible NRIs, HUF (in the name of Karta) applying for Equity Shares such that the Bid Amount does not exceed ₹ 2,00,000 in value.

Particulars	Eligible Employees	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
		corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, in accordance with applicable law and 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, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFC		

Terms of Payment **In case of Anchor Investors:** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids

**In case of all other Bidders:** Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) including UPI ID in case of UPI Bidders, that is specified in the ASBA Form at the time of submission of the ASBA Form

<sup>(1)</sup> *Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50 million per Anchor Investor, and (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof will be permitted, subject to minimum allotment of ₹ 50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 100 million. 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. For further information, please see the section entitled "Offer Procedure" on page 339.*

<sup>(2)</sup> *Subject to valid Bids being received at or above the Offer Price. The Offer is being made in accordance with Rule 19(2)(b) of the SCRR and under Regulation 6(1) of the SEBI ICDR Regulations. The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In 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. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion, including any unsubscribed portion of the reservation for Mutual Funds, if any, 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 Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders ("Non-Institutional Portion") (of which one third of the Non-Institutional Portion shall be reserved for Bidders with an application size between ₹ 0.20 million up to ₹ 1 million and two-thirds of the Non-Institutional Portion shall be reserved for Bidders with an application size exceeding ₹ 1 million) and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other subcategory of Non-Institutional Portion, subject to valid Bids being received at or above the Offer Price and not less than 35% of the Net Offer shall be available for*



allocation to Retail Individual Investors (“RIIs”) in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, up to 55,000 Equity Shares (which shall not exceed 5% of the post-Offer Equity Share capital of our Company), aggregating up to ₹[●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or over the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the ASBA process and shall provide details of their respective bank account in which the Bid amount will be blocked by the SCSBs. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Category or the Retail Category would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange in accordance with applicable law. However, under-subscription, if any, in the QIB Category will not be allowed to be met with spill-over from other categories or a combination of categories. In terms of Rule 19(2)(b) of the SCRR, the Equity Shares issued in this Offer shall aggregate to at least such percentage of the post-Offer Equity Share capital of our Company (calculated at Offer Price) that will be at least ₹ [●] million. In case of an under-subscription in the Offer, after meeting the minimum subscription requirement of 90% of the Fresh Issue, the balance subscription in the Offer will be first met through the Equity Shares offered pursuant to the Offer for Sale on a pro-rata basis in a manner proportionate to the respective portion of the Offered Shares of each Selling Shareholder and subsequently, the balance part of the Fresh Issue.

- (3) Assuming full subscription in the Offer.
- (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.
- (5) In case the Anchor Investor Allocation Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them. For further information on terms of payment applicable to Anchor Investors, please see the section entitled “Offer Procedure” on page 339.

#Eligible Employees Bidding in the Employee Reservation portion can Bid up to a Bid Amount of ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. Further, an Eligible Employee Bidding in the Employee Reservation Portion (subject to the Payment Amount being up to ₹200,000) can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.

Bidders will confirm and will be deemed to have represented to our Company, the Selling Shareholders, 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 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, the Company, the Selling Shareholders, 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 Equity Shares.

The Bids by FPIs with certain structures as described under the section “Offer Procedure” on page 339 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company, in consultation with the Managers and the Designated Stock Exchange, on a proportionate basis.

## OFFER PROCEDURE

All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the SEBI 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 is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders/Applicants; (v) Issuance of CAN and allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid Form); (vii) Submission of Bid cum Application Form; (viii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) disposal of application (x) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (xi) mode of making refunds; (xii) Designated Date; (xiii) interest in case of delay in Allotment or refund and (xiii) disposal of application.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“**UPI**”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“**UPI Phase I**”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIIs (“**UPI Phase III**”), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances (“**UPI Streamlining Circular**”). This circular is effective for initial public offers opening on or after May 1, 2021, except as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Red Herring Prospectus.

Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings whose application sizes are up to ₹ 500,000 shall use the UPI Mechanism. Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum, whichever is higher, for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity

responsible for such delay in unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four days.

*Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this 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 Red Herring Prospectus and the Prospectus.*

*Further, our Company, Selling Shareholders and the members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.*

### **Book Building Procedure**

The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In 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. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion, including any unsubscribed portion of the reservation for Mutual Funds, if any, 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 Offer Price. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB 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 Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders (“**Non-Institutional Portion**”) (of which one third of the Non-Institutional Portion shall be reserved for Bidders with an application size between ₹ 0.20 million up to ₹ 1 million and two-thirds of the Non-Institutional Portion shall be reserved for Bidders with an application size exceeding ₹ 1 million) and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other subcategory of Non-Institutional Portion, subject to valid Bids being received at or above the Offer Price and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Investors (“**RIIs**”) in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, up to 55,000 Equity Shares (which shall not exceed 5% of the post-Offer Equity Share capital of our Company), aggregating up to ₹[●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or over the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the ASBA process and shall provide details of their respective bank account in which the Bid amount will be blocked by the SCSBs. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process.

Under-subscription, if any, in any category (including Employee Reservation Category), except in QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and Designated Stock Exchange. In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹500,000), shall be added to the Net Offer to the public.

In accordance with Rule 19(2)(b) of the SCRR, the Offer will constitute at least [●]% of the post Offer paid-up Equity Share capital of our Company. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, 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 rematerialized subsequent to Allotment of the Equity Shares in the IPO.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by the Central Board of Direct Taxes dated February 13, 2020 and the press release dated June 25, 2021.

### **Phased implementation of Unified Payments Interface**

SEBI has issued the SEBI UPI Circulars in relation to streamlining the process of public issue of inter alia equity shares. Pursuant to the SEBI 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 RIIs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the SEBI 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 UPI Bidder had the option to submit the ASBA Form with any of the Designated Intermediary and use his/her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019, and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹ 500,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.

**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 is proposed to be reduced to three Working Days.

Pursuant to the UPI Streamlining Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circular, the same will be advertised in shall be advertised in all editions of the English national daily newspaper Financial Express, all editions of the Hindi national daily newspaper Jansatta and Gujarati edition of

the Gujarati daily newspaper Financial Express (Gujarati being the regional language of Gujarat, where our Registered and Corporate Office is located), each with wide circulation on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering the facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as 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 UPI Bidders using the UPI.

Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

### **Electronic registration of Bids**

- (a) The Designated Intermediary may register the Bids using the online 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 online facilities for Book Building on a regular basis before the closure of the Offer.
- (b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this 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/Offer Closing Date to modify select fields uploaded in the Stock Exchanges' Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available with the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The UPI Bidders shall Bid in the Offer through the UPI Mechanism.

UPI Bidders using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected. UPI Bidders may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

ASBA Bidders (using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders 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. UPI Bidders may also submit their ASBA Forms with the SCSBs (except UPI Bidders using the UPI Mechanism). 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 Banks, as applicable at the time of submitting the Bid. In order to ensure timely information to Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked. For all initial public offers opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular shall be applicable for all categories of investors viz. Retail Individual Bidders, QIBs and NIBs and also for all modes through which the applications are processed.

Non-Institutional Bidders bidding through UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form. UPI Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

The Sponsor Banks shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis <sup>^</sup>	White
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis <sup>^</sup>	Blue
Anchor Investors <sup>**</sup>	White
Eligible Employees Bidding in the Employee Reservation Portion <sup>***</sup>	Pink

\* Excluding electronic Bid cum Application Forms

\*\*Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLMs.

\*\*\*The Bid cum Application Forms for Eligible Employees Bidding in the Employee Reservation Portion will be available only at our Registered Office.

<sup>^</sup> Electronic Bid cum Application forms 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))

The relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds.

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For UPI Bidders, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis to enable the Sponsor Banks to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

The Sponsor Banks shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Banks, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to

a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. In accordance with BSE Circular No: 20220803-40 and NSE Circular No: 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date (“**Cut-Off Time**”). Accordingly, UPI Bidders 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. Further, modification of Bids shall be allowed in parallel during the Bid/Offer Period until the Cut-Off Time.

The Sponsor Banks will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Banks will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Banks and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

**The Equity Shares have not been, and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made. 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. Participation by the BRLMs, the Syndicate Members and their associates and affiliates**

**Participation by Promoter and Promoter Group of the Company, the BRLMs and the Syndicate Members.**

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their respective underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Portion 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 BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the BRLMs nor any associate of the BRLMs can apply in the Offer under the Anchor Investor Portion:

- (i) mutual funds sponsored by entities which are associate of the BRLMs;
- (ii) insurance companies promoted by entities which are associate of the BRLMs;
- (iii) AIFs sponsored by the entities which are associate of the BRLMs;
- (iv) FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the BRLMs; or
- (v) Person related to Promoter and the members of the Promoter Group.

Further, an Anchor Investor shall be deemed to be an “associate of the BRLMs” if:

- (i) 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
- (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or
- (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

### **Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders 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, exchange traded funds, or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of our 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. Eligible NRIs bidding on a repatriation basis by using the Non-Resident forms should authorise their SCSB to block their Non-Resident External ("NRE") accounts (including UPI ID, if activated), or Foreign Currency Non-Resident ("FCNR") accounts, and Eligible NRIs bidding on a non-repatriation basis by using resident forms should authorise their SCSB 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 NRIs in the Offer shall be subject to the FEMA Rules. Only bids accompanied by payment in Indian rupees or fully convertible foreign exchange will be considered for allotment.

For details of restrictions on investment by NRIs, please see the section entitled "*Restrictions on Foreign Ownership of Indian Securities*" on page 359.

### **Bids by HUFs**

Bids by Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs may be considered at par with Bids from individuals.

### **Bids by FPIs**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI including its investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our total paid-up Equity Share capital on a fully diluted basis.

If the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued



that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. While the aggregate limit as provided above could have been decreased by the Indian company concerned to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020, our Company has not decreased such limit.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi investment manager (“MIM”) structure
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager
- Multiple branches in different jurisdictions of foreign bank registered as FPIs
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN). 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 any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to the following conditions:

- (a) each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Participation of FPIs in the Offer shall be subject to the FEMA Rules, amended from time to time.

#### **Bids by SEBI registered VCFs, AIFs and FVCIs**

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (“**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs.

Pursuant to the repeal of the SEBI VCF Regulations, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations, inter alia, prescribe the investment restrictions on FVCIs registered with SEBI.

The holding in any company by any individual VCF registered with SEBI should not exceed 25% of the corpus of the VCF. Further, FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings. Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in one investee company. However, large value funds for accredited investors of Category I AIFs and Category II AIFs may invest up to 50% of the investible funds in an investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. However, large value funds for accredited investors of Category III AIFs may invest up to 20% of the investible funds in an investee company. Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA Rules, amended from time to time.

**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.**

**Our Company, the Selling Shareholder or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

#### **Bids by Limited Liability Partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

#### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with BRLMs and the Selling Shareholders, reserve the right to reject any Bid without assigning any reason thereof.

#### **Bids by banking companies**

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

#### **Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. 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 and the Selling Shareholders, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended (“**IRDAI Investment Regulations**”), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and 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 with minimum corpus of ₹ 250 million, subject to applicable law, 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 and the Selling Shareholders, in consultation with the BRLMs reserve the right to reject any Bid, without assigning any reason thereof.

### **Bids by Eligible Employees under the Employee Reservation Portion**

Bids under the Employee Reservation Portion by Eligible Employees shall be:

- a. Made only in the prescribed Bid cum Application Form or Revision Form (i.e. Pink colour form)
- b. The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares. Such Bidders must ensure that the Bid Amount does not exceed ₹500,000, net of Employee Discount. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of upto ₹200,000, net of Employee Discount. In the event of under-subscription in the Employee Reservation Portion (post the initial Allocation of up to ₹200,000, net of Employee Discount per Eligible Employee), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount).
- c. The Bidder should be an Eligible Employee as defined above. In case of joint bids, the first Bidder shall be an Eligible Employee.
- d. Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion.
- e. Only those Bids, which are received at or above the Offer Price, would be considered for allocation under this category.
- f. Eligible Employees can apply at Cut-off Price.
- g. Bid by Eligible Employees can be made also in the “Net Offer to the Public” and such Bids shall not be treated as multiple Bids.
- h. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Offer, full allocation shall be made to the Eligible Employees to the extent of their demand.
- i. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer.

In case of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Offer constituting 10% of the post-Offer share capital of our Company. If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis.

### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

**The information set out above is given for the benefit of the Bidders. Our Company, the Selling Shareholders, and the BRLMs are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this 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 regulations, or as specified in this Red Herring Prospectus and the Prospectus.**

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250.00 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250.00 million, 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 and the reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason hereof.

Our Company and Selling Shareholders in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and Selling Shareholders in consultation with the BRLMs, may deem fit.

### **Bids by Anchor Investors**

- (a) In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.
- (b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100.00 million. 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 ₹ 100.00 million.
- (c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- (d) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, and will be completed on the same day.
- (e) Our Company and the Selling Shareholders, in consultation with the BRLMs 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:
  - (i) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100.00 million;
  - (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor

Investor Portion is more than ₹ 100.00 million but up to ₹ 2,500.00 million, subject to a minimum Allotment of ₹ 50.00 million per Anchor Investor; and

- (iii) in case of allocation above ₹ 2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500.00 million, and an additional 10 Anchor Investors for every additional ₹ 2,500.00 million, subject to minimum Allotment of ₹ 50.00 million per Anchor Investor.
- (f) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Offer Period. 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 by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.
- (g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- (h) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Offer Price will be payable by the Anchor Investors on the Anchor Investor Pay-In Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price.
- (i) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- (j) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLMs) shall apply in the Offer under the Anchor Investor Portion.
- (k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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 Red Herring Prospectus.

### **General Instructions**

Please note that QIBs and Non-Institutional Bidders 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. RIIs can revise their Bid(s) during the Bid/Offer Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period.

#### ***Do's:***

1. Check if you are eligible to apply as per the terms of this Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) and PAN in the Bid cum Application Form;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within

the prescribed time;

6. RIIs Bidding in the Offer shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID (only for UPI Bidders using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;
8. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;
9. Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
11. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued by SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities exempt from holding a PAN under applicable law, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
13. 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;
14. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
15. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;
16. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;
17. Since the Allotment will be in dematerialised form only, ensure that the depository account is active, the correct DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI mechanism) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI mechanism) and the PAN 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, UPI ID (for UPI Bidders bidding through UPI mechanism) and PAN available in the Depository database;

18. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at [http:// www.sebi.gov.in](http://www.sebi.gov.in));
19. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid. In case of UPI Bidders Bidding through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
20. Ensure that the Demographic Details are updated, true and correct in all respects;
21. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;
22. Bidders (except UPI Bidders Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of RIIs, once the Sponsor Bank issues the Mandate Request, the RIIs would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request to authorise the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
23. Bidding through UPI Mechanism 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 Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, a UPI Bidder Bidding through UPI Mechanism shall be deemed to have verified the attachment containing the application details of the UPI Bidder Bidding through UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Bank issue a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;
24. UPI Bidders bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;
25. UPI Bidders using the UPI Mechanism who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate 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;
26. Bids by Eligible NRIs HUFs and any individuals, corporate bodies and family offices which are recategorised as Category II FPI and registered with SEBI for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Offer; and
27. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

***Don'ts:***

1. Do not Bid for lower than the minimum Bid Lot;
2. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
3. Do not Bid for a Bid Amount exceeding ₹ 200,000 for Bids by Retail Individual Investors and ₹ 500,000 for Bids by Eligible Employees Binding in the Employee Reservation Portion;

4. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;
5. Do not Bid/revise the Bid amount to less than the floor price or higher than the cap price;
6. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
10. Do not submit the Bid for an amount more than funds available in your ASBA account;
11. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
12. 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;
13. 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);
14. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Red Herring Prospectus;
15. Do not Bid for Equity Shares more than specified by the respective Stock Exchanges for each category;
16. In case of ASBA Bidders (other than UPI Bidders using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account;
17. If you are UPI Bidder and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID;
18. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;
19. Anchor Investors should not bid through the ASBA process;
20. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;
21. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
22. Do not submit the GIR number instead of the PAN;
23. Anchor Investors should submit Anchor Investor Application Form only to the BRLMs;
24. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;
25. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/Offer Closing Date;
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 Bidder. Retail Individual Investors can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

27. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are UPI Bidder and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;
28. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details if you are a UPI Bidder Bidding through the UPI Mechanism. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Offer;
29. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;
30. 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 UPI Bidders using the UPI Mechanism;
31. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a banks which is not mentioned in the list provided in the SEBI website is liable to be rejected;
32. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism. If you are an Eligible Employee bidding under the Employee Reservation Portion, do not use the UPI Mechanism to submit a Bid; and
33. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, please see the section entitled “*General Information*” on page 74.

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/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the intermediary SCSB responsible for causing such delay in unblocking. The post Offer BRLMs 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.

For helpline details of the Managers pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see “*General Information –Book Running Lead Managers*” on page 75.

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Stock Exchanges, along with the BRLMs and the Registrar to the Offer, 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.

### **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 Offer 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 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 RIIs 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 RII shall not be less than the minimum bid lot, subject to the availability of shares in RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

### **Payment into Anchor Investor Escrow Account**

Our Company and the Selling Shareholders, in consultation with the BRLMs 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 Anchor Investor Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “DHARMAJ CROP GUARD LIMITED – ANCHOR – R A/C”
- (b) In case of Non-Resident Anchor Investors: “DHARMAJ CROP GUARD LIMITED – ANCHOR – NR A/C”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

### **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act, our Company shall, after filing this Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and regional edition of Financial Express, a Gujarati newspaper, Gujarati being the regional language of Gujarati, where our Registered Office is located, each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

### **Allotment Advertisement**

Our Company, the Book Running Lead Managers and the Registrar shall publish an advertisement in relation to Allotment before commencement of trading, disclosing the date of commencement of trading of the Equity Shares, in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Gujarati editions of Financial Express, a Gujarati newspaper, Gujarati being the regional language of Gujarati, where our Registered Office is located, each with wide circulation.

The above information is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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.

### **Signing of the Underwriting Agreement and Filing with the RoC**

- (a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which would then be termed as the Prospectus. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.

### **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 ₹ 1 million 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 ₹ 1 million 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 ₹ 5.00 million or with both.

### **Undertakings by our Company**

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders (including Anchor Investor Application Form from Anchor Investors);
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI;
- 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, the SEBI ICDR Regulations and applicable law for the delayed period;
- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer, except for fees or commission for services rendered in relation to the Offer;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- 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;
- If our Company and Selling Shareholders in consultation with the Book Running Lead Managers withdraws the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

### **Undertakings by the Selling Shareholders**

The Selling Shareholders undertake that:

- the Equity Shares offered by it in the Offer for Sale are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations and shall be in dematerialized form at the time of transfer;
- are the legal and beneficial owner of, and has clear and marketable title to, the Equity Shares which are offered by it pursuant to the Offer for Sale;
- it shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose of any the Offered Shares until such time that the lock-in (if applicable) remains effective save and except as may be permitted under the SEBI ICDR Regulations;
- it shall provide reasonable assistance to our Company and the Book Running Lead Managers in redressal of such investor grievances in relation to the Offered Shares and statements specifically made or confirmed by it in relation to itself as a Selling Shareholder;
- shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;
- it shall provide reasonable cooperation to our Company in relation to the Offered Shares, (a) for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges, and/ or (b) refund orders (if applicable); and
- it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The decisions with respect to the Price Band, the minimum Bid lot, revision of Price Band, Offer Price will be taken by our Company and Selling Shareholders in consultation with the Book Running Lead Managers. The Offer Price will be decided by our Company and Selling Shareholders in consultation with the Book Running Lead Managers, on the Pricing Date in accordance with the Book Building Process and this Red Herring Prospectus.

Only the statements and undertakings in relation to the Selling Shareholders and the Offered Shares which are specifically “confirmed” or “undertaken” by it in this Red Herring Prospectus, shall be deemed to be “statements and undertakings specifically confirmed or undertaken” by the Selling Shareholders. All other statements and/ or undertakings in this Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholder.

### **Utilisation of Offer Proceeds**

Our Board certifies that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;

- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh 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 unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

## **RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The responsibility of granting approval for foreign investment under the Consolidated FDI Policy (defined herein below) and FEMA has been entrusted to the concerned ministries / departments.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the “Consolidated FDI Policy”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

Under the current FDI Policy, 100% foreign direct investment is permitted in manufacturing sector, under the automatic route, subject to compliance with certain prescribed conditions.

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 foreign direct investment policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the nonresident shareholding is within the sectoral limits under the Consolidated FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For details, see “*Offer Procedure*” on page 339.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Rules, any investment, subscription, purchase or sale of equity instruments by entities, investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Offer Period.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see “*Offer Procedure – Bids by Eligible NRIs*” and “*Offer Procedure – Bids by FPIs*” on page 343.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments, modification, or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for which do not exceed the applicable limits under laws and regulations.

## SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

*Pursuant to the Companies Act and the SEBI ICDR Regulations, the Description of Equity Shares and Terms of the Articles of Association are detailed below. Capitalised terms used in this section have the meaning given to them in the Articles of Association. Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.*

Articles No.	Particulars
<b>GENERAL AUTHORITY</b>	
3	Where the Act requires that the Company cannot undertake any act or exercise any rights or powers or privilege or authority, unless expressly authorised by its Articles, these Articles shall in relation to the Company, be deemed to confer such right, authority or power or privilege and to carry out such transaction as have been permitted by the Act.
<b>CAPITAL ISSUANCE AND REDUCTION THEREOF</b>	
4	The Authorised Share Capital of the Company is such amount, as stated, for the time being, or may be varied, from time to time, under the provisions of the Act, in the Clause V of the Memorandum of Association of the Company, divided into such number, classes and descriptions of Shares and into such denominations, as stated therein, and further with such powers to increase the same or otherwise as stated therein.
5	The Company may issue the following kinds of shares in accordance with these Articles, the Act and other applicable laws: <ul style="list-style-type: none"> <li>ii. Equity Share Capital: with voting rights; and/or with differential rights as to dividend, voting or otherwise; and</li> <li>ii. Preference Share Capital.</li> </ul>
6	The Company, in a general meeting, may, from time to time, increase the capital by the creation of new Shares. Such increase in the capital shall be of such aggregate amount and to be divided into such number of Shares of such respective amounts, as the resolution, so passed in that respect, shall prescribe. Subject to the provisions of the Act, any Shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting, resolving upon the creation thereof, shall direct, and, if no direction be given, as the Directors shall determine, and, in particular, such Shares may be issued with a preferential, restricted or qualified right to dividends, and in the distribution of assets of the Company, on winding up, and with or without a right of voting at general meetings of the Company, in conformity with and only in the manner prescribed by the provisions of the Act. Whenever capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the applicable provisions of the Act.
7	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 contained herein with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting or otherwise.
8	Subject to the provisions of Section 55 of the Act and the rules made thereunder, the Company shall have the power to issue preference shares, which are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.
9	On the issue of Redeemable Preference Shares under the provisions of the preceding Article, the following provisions shall take effect:- <ul style="list-style-type: none"> <li>(i) No such Shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of the redemption.</li> <li>(ii) No such Shares shall be redeemed unless they are fully paid. The period of redemption in case of preference shares shall not exceed the maximum period for redemption provided under Section 55 of the Act;</li> <li>(iii) The premium, if any, payable on redemption, must have been provided for, out of the profits of the Company or the Share Premium Account of the Company before, the Shares are redeemed; and</li> </ul>

Articles No.	Particulars
	(iv) Where any such Shares are redeemed otherwise than 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 "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 80 of the Act, apply as if "Capital Redemption Reserve Account" were paid up Share capital of the Company.
10	Subject to the provisions of the Act, the Company may issue bonus shares to its Members out of (i) its free reserves; (ii) the securities premium account; or (iii) the capital redemption reserve account, in any manner as the Board may deem fit.
11	The Company may issue any debentures, debenture-stock or other securities at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at general meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of shares shall not be issued except with the sanction of the Company in a general meeting by a special resolution and subject to the provisions of the Act.
12	Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable laws.
13	Subject to Section 66 of the Companies Act, 2013, the Company may by special resolution, reduce its capital and any Capital Redemption Reserve Account or Other Premium Account, for the time being, in any manner, authorised by law, and, in particular, without prejudice to the generality of the foregoing powers, the 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.
14	Subject to the applicable provisions of the Act, the Company, in general meeting, may, from time to time, sub-divide, reclassify or consolidate its Shares or any of them, and the resolution whereby any Share is sub-divided, may determine that, as between the holders of the Shares resulting from such sub-division, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. 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.
15	Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the applicable provisions of the Act, be modified, commuted, affected or abrogated, or dealt with by an agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified, in writing, by holders of at least three-fourths in nominal value of the issued Shares of the class or is confirmed by a special resolution passed at a separate general meeting of the holders of Shares of that class and all the provisions hereinafter contained as to general meetings, shall, mutatis mutandis, apply to every such meeting.
<b>SHARES AND CERTIFICATES</b>	
16	The Company shall keep or cause to be kept a Register and Index of Members, in accordance with the applicable Sections of the Act. The Company shall be entitled to keep, in any State or Country outside India, a Branch Register of Members, in respect of those residents in that State or Country.
17	The Shares, in the capital, shall be numbered progressively according to their several classes and denominations, and, except in the manner hereinabove mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share may continue to bear the number by which the same was originally distinguished with, or as may be otherwise, as may be decided by the Board of Directors or required by any other authority, as may be, for the time being, in force.
18	Further Issue of Shares (a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares either out of the unissued or



Articles No.	Particulars
	<p>out of the increased Share capital then, such further Shares shall be offered to:</p> <p>(a) the persons who at on date specified under the applicable law, are holders of the Equity Shares of the Company, in proportion by sending a letter of offer subject to the conditions set below, as near as circumstances admit, to the capital paid up on those Shares at that date:</p> <p>(i) Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not less than fifteen days and not exceeding thirty days from the date of the offer within which the offer if not accepted, will be deemed to have been declined;</p> <p>(ii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him in favour of any other person and the notice referred to in sub-clause (i) hereof shall contain a statement of this right provided that the Directors may decline, without assigning any reason to allot any Shares to any person in whose favour any member may, renounce the Shares offered to him;</p> <p>(iii) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company; or</p> <p>(b) employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to the rules and such other conditions, as may be prescribed under the law</p> <p>(b) Notwithstanding anything contained in sub-clause (i) thereof, the further Shares aforesaid may be offered to any persons, if it is authorised by a special resolution, (whether or not those persons include the persons referred to in clause (a) of sub-clause (i) hereof) in any manner either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the compliance with the applicable provisions of Chapter III and any other conditions as may be prescribed in the Act and the rules made thereunder.</p> <p>(c) The notice referred to in sub-clause (a) of clause (i) hereof shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least 3 (three) days before the opening of the issue.</p> <p>(d) Nothing in sub-clause (c) of (i) hereof shall be deemed:</p> <p>(a) To extend the time within the offer should be accepted; or</p> <p>(b) To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the remuneration was first made has declined to take the Shares comprised in the renunciation.</p> <p>(e) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the Debenture issued or loans raised by the Company to convert such Debenture or loans into Shares in the Company. Provided that the terms of issue of such Debentures or the terms of such loans include a term containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in general meeting.</p> <p>(f) The provisions contained in this Article shall be subject to the provisions of the section 42 and section 62 of the Act and other applicable provisions of the Act and rules framed thereunder.</p>
19	<p>Shares at the disposal of the Board</p> <p>Subject to the provisions of Section 62 of the Companies Act, 2013 and the rules made thereunder and these Articles of the Company for the time being, the Shares shall be under the control of the Board 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 or discount, subject to Sections 53 and 54 of the Act, and at such time as they may from</p>

Articles No.	Particulars
	time to time think fit and with the sanction of the Company in the General Meeting to give any person or persons the option or right to call for any Shares either at par or premium or discount, subject to Sections 53 and 54 of the Act, 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 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. Provided that option or right to call of Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting. The Board shall cause to be filed the returns as to allotment as may be prescribed from time to time.
20	In addition to and without derogating from the powers for that purpose conferred on the Board under the preceding two Articles, the Company, in general meeting, may determine that any Shares, whether forming part of the original capital or of any increased capital of the Company, shall be offered to such persons, whether or not the members of the Company, in such proportion and on such terms and conditions and, subject to compliance with the provisions of applicable provisions of the Act, either at a premium or at par, as such general meeting shall determine and with full power to give any person, whether a member or not, the option to call for or be allotted Shares of any class of the Company either, subject to compliance with the applicable provision of the Act, at a premium or at par, such option being exercisable at such times and for such consideration as may be directed by such general meeting, or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any Shares.
21	Any application signed by or on behalf of an applicant for subscription 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 entered on the Registered shall, for the purpose of these Articles, be a member.
22	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 immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly, in the manner prescribed by the Board.
23	Every member or his heirs, executors or administrators, 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 Regulations of the Company, require or fix for the payment thereof.
24	<p>(i) 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 the Directors may from time to time determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within the time specified by the law applicable at the time. Every certificate of shares shall be in the form and manner specified in the Articles and 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 the first named joint holders shall be sufficient delivery to all such holders.</p> <p>(ii) 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>(iii) Any two or more joint allottees, in respect of a Share, shall, for the purpose of this Article, be treated as a single member, and the certificate of any Share, which may be subject of joint ownership, may be delivered to the person named first in the order or otherwise even to any one 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 Rupee 50(fifty) per such certificate. In this respect, the Company shall comply with the applicable provisions, for the time being, in force, of the Act.</p>

Articles No.	Particulars
	(iv) 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 Directors shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.
25	<p>(i) The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to receive from any member willing to advance the same, all or any part of the amount of his Shares beyond the sums actually called up and upon the monies so paid in advance or upon so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advances has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall on any Share may carry interest but shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The member shall not be entitled to any 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 these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.</p> <p>(ii) When a new Share certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is “Issued in lieu of Share Certificate No. ___ sub-divided/replaced/on consolidation of Shares”.</p> <p>(iii) 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, and 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 in accordance with law applicable at the time and 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 provision of this Article shall mutatis mutandis apply to debentures of the Company. When a new Share certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is “DUPLICATE. Issued in lieu of Share Certificate No. ___” The word “DUPLICATE” shall be stamped or punched in bold letters across the face of the Share certificate.</p> <p>(iv) Where a new Share certificate has been issued in pursuance of clause (i) or clause (iii) of this Article, particulars of every such Share certificate shall be entered in a Register of Renewed and Duplicate Share Certificates, indicating against the names of the person or persons to whom the certificate is issued, the number and date of issue of the Share certificate, in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the “Remarks” column.</p> <p>(v) All blank forms to be issued for issue of Share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively numbered, whether by machine, hand or otherwise, and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary, where there is no Secretary, the Managing Director or Whole time Director, and where there is no such director, the Chairman of the Board, for the time being, or otherwise of such other person, as the Board may appoint for the purpose, and the Secretary,</p>

Articles No.	Particulars
	such director, Chairman or such other person shall be responsible for rendering an account of these forms to the Board.
	(vi) The Managing Director of the Company, for the time being, or, if the Company has no Managing Director, every director of the Company shall be severally responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of Share certificates except the blank forms of Share certificates referred to in Clause (vi) of this Article.
	(vii) All books referred to in clause (vii) of this Article shall be preserved in good order permanently, or for such period as may be prescribed by the Act or the Rules made thereunder.
26	If any Share stands in the names of two or more persons, the person first named, in the Register, shall, as regards receipt of dividends or bonus or service of notices and all or any matter connected with the Company, except voting at meetings and the transfer of the Shares, be deemed the sole holder thereof but the joint holders of a Share shall be severally as well as jointly liable for the payment of all instalments of calls due in respect of such Share and for all incidents otherwise.
27	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 presents, 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 their sole discretion, to register any Share in the joint names of any two or more persons or the survivor or survivors of them.
28	Subject to the provisions of Sections 68 to 70 of the Act 2013 and the rules thereunder, the Company may purchase its own Shares or other specified securities out of free reserves, the securities premium account or the proceeds of issue of any Share or specified securities.
29	Subject to the provisions contained in sections 68 to 70 and all applicable provisions of the Act and subject to such approvals, permissions, consents and sanctions from the concerned authorities and departments, including the SEBI, Registrar and the Reserve Bank of India, if any, the Company may, by passing a special resolution at a general meeting, purchase its own Shares or other specified securities (hereinafter referred to as 'buy-back') from its existing Shareholders on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the securities (odd lots), and/or the securities issued to the employees of the Company pursuant to a scheme of stock options or sweat Equity, from out of its free reserves or out of the securities premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose, on such terms, conditions and in such manner as may be prescribed by law from time to time; provided that the aggregate of the securities so bought back shall not exceed such number as may be prescribed under the Act or Rules made from time to time.
<b>COMMISSION AND BROKERAGE</b>	
30	Subject to the provisions of Section 40 of the Act 2013 and the rules thereof, 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 in or Debentures of the Company or procuring or agreeing to procure the subscribers, whether absolutely or conditional, for any Shares in or Debentures of the Company, but so that the rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of Section 40 of the Act, and such commission may be satisfied in any such manner, including the allotment of the fully or partly paid up Shares or Debentures, as the case may be, as the Board thinks fit and proper.
31	Subject to the provisions of the Act, the Company may pay a reasonable sum for brokerage.
<b>CALLS</b>	
32	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 only at a duly constituted meeting of the Board, make such call, as it thinks fit, upon the members in respect of all moneys unpaid on the Shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by instalments.
33	Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at

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	less than one month from the date fixed for the payment of the last preceding call.
34	At least fourteen 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 be paid.
35	A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board.
36	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 whom owing to their residence at a distance or other cause, 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.
37	A call may be revoked or postponed at the discretion of Board.
38	All calls shall be made on a uniform basis on all shares falling under the same class.
39	The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
40	If any members 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, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member, the Board shall be at liberty to waive payment of any such interest wholly or in part.
41	Any sum, which, by the terms of issue of a Share, becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and, in the case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply, as if such sum had become payable by virtue of a call duly made and notified.
42	On the trial or hearing of any action or suit brought by the Company against any member or his representative for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the member, in respect of whose Shares the money is sought to be recovered, appears or is 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 Shares in respect of which money is sought to be recovered, and that the resolution making the call is duly recorded in the minute book, and that notice, of which call, was duly given to the member or his representatives and used in pursuance of these Articles, and it shall not be necessary to prove the appointment of the Directors who made such call, and not that a quorum of Directors was present at the meeting of the Board at which any call was made, and nor that the meeting, at which any call was made, has duly been convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.
43	Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.
44	(i) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same all or any part of the amounts of his respective Shares beyond the sums actually called up and 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 agrees upon, subject to the provisions of the Act. The Board may agree to repay, at any time, any amount so advanced or may, at any time, repay the same upon giving to the member 3 (Three) months' notice, in writing, provided that moneys paid, in advance of calls, on any Shares may carry interest but shall not confer a right to dividend or to participate in profits.  (ii) 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 any calls on debentures of the Company.

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45	<p>(i) 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 Shares 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 all 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> <p>(ii) Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares</p>
46	For the purpose of enforcing such lien, the Board may sell the Shares, subject thereto, in such manner, as it shall think fit, and, for that purpose, may cause to be issued a duplicate certificate in respect of such Shares, and may authorise one of their members to execute a transfer thereof, on behalf of and in the name of such manner. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien, provided that no sale shall be made (a) unless a sum in respect of which the lien exists is presently payable; or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
47	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 a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the persons entitled to the Shares at the date of the sale.
48	A member shall exercise any voting rights in respect of the shares in regard to which the Company has exercised the right of Lien.
<b>FORFEITURE OF SHARES</b>	
49	If any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
50	The notice shall name a day, not being less than 14 (Fourteen) days from the date of the notice, and a place or places on and at which such call or instalment and such interest 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 appointed, the Shares, in respect of which the call was made or instalment is payable, will be liable to be forfeited.
51	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, before payment of all calls or instalments, interest and expenses, as may be due in respect thereof, be forfeited by a resolution of the Board to that effect. Subject to the provisions of the Act, such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.
52	When any Share shall have been so 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. But no forfeiture shall be, in any manner, invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
53	Any Share, 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 shall think fit.
54	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, instalments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with

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	interest thereof, until payment, at such rate, as the Board may determine, and the Board may enforce the payment thereof, if it thinks fit.
55	The forfeiture of a Share shall involve extinction, at the time of the forfeiture, of all interests in and all claims and demands against the Company, in respect of such Share and all other rights, incidental to the Share, except only such of those rights as by these presents are expressly saved.
56	A declaration, in writing, that the declarant is a director or Secretary of the Company and that a Share in the Company has duly been 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.
57	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, in respect of the Shares sold, and the purchaser 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, 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 exclusively against the Company and no one else.
58	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.

#### **TRANSFER AND TRANSMISSION OF SHARES**

59	The Company shall keep the "Register of Transfers" and therein shall fairly and distinctly enter particulars of every transfer or transmission of any Share.
60	No transfer shall be registered unless a proper instrument of transfer has been delivered to the Company. A common form of transfer shall be used. Every instrument of transfer shall be in writing and all provisions of the Act, the rules and applicable laws shall be duly complied with. The instrument shall also be duly stamped, under the relevant provisions of the Law, for the time being, in force, and shall be signed by or on behalf of the transferor and the transferee, and in the case of a Share held by two or more holders or to be transferred to the joint names of two or more transferees by all such joint holders or by all such joint transferees, as the case may be, and the transferor or the transferors, as the case may be, shall be deemed to remain the holder or holders of such Share, until the name or names of the transferee or the transferees, as the case may be, is or are entered in the Register of Members in respect thereof. Several executors or administrators of a deceased member, proposing to transfer the Share registered in the name of such deceased member, or the nominee or nominees earlier appointed by the said deceased holder of Shares, in pursuance of the Article 88, shall also sign the instrument of transfer in respect of the Share, as if they were the joint holders of the Share.
61	Shares in the Company may be transferred by an instrument, in writing, in the form, as shall, from time to time, be approved by the Directors provided that, if so required by the provisions of the Act, such instrument of Transfer shall be in the form prescribed thereunder and shall be duly stamped and delivered to the Company within the prescribed period. All the provisions of Section 56 of the Act, 2013 shall be duly complied with in respect of all transfers of Shares and registration thereof.
62	The Board shall have power, on giving 7 (Seven) days' previous notice, by advertisement in some newspaper circulating in the district in which the Registered Office of the Company is, for the time being, situated, to close the transfer books, the Register of Members of Register of Debenture holders, at such time or times and for such periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may seem expedient.
63	Subject to the provisions of Section 58 and 59 of the Companies Act 2013, these Articles and any other applicable provisions of the Act or any other law for the time being in force, the Board may, refuse, whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a member in, or Debentures of the Company. The Company shall within the time required under the law applicable at that time send to the transferee and transferor or to the person giving intimation of such transmission, as the case may be, notice of the refusal to register such transfer, giving reasons for such refusal provided that registration of transfer

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	shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the Shares.
64	An application for the registration of a transfer of Shares in the Company may be made either by the transferor or the transferee. Where such application is made by a transferor and relates to partly paid Shares, the Company shall give notice of the application to the transferee. The transferee may, within two weeks from the date of the receipt of the notice and not later, object to the proposed transfer. The notice to the transferee shall be deemed to have been duly given, if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time when it would have been delivered in the ordinary course of post.
65	In the case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him jointly with any other person.
66	Subject to the provisions of Article 87 hereunder, the executors or administrators or holders of a such Succession Certificate or the legal representative of a deceased member, not being one of two or more joint holders, shall be the only persons recognised by the Company as having any title to the Shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives, unless such executors or administrators or legal representatives 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 cases, the Board may dispense with production of probate or letters of Administration or Succession Certificate upon such terms as to indemnify or otherwise, as the Board, in its absolute discretion, may think necessary, in the circumstances thereof, and, in pursuance of the Article 61 herein under, register the name of any person, who claims to be absolutely entitled to the Shares standing in the name of a deceased member, as a member.
67	No Share shall, in any circumstances, be transferred to any infant, insolvent or person of unsound mind, and that no Share, partly paid up, be issued, allotted or transferred to any minor, whether alone or along with other transferees or allottees, as the case may be.
68	So long as the director having unlimited liability has not discharged all liabilities, whether present or future, in respect of the period for which he is and continues to be, so long, liable, he shall not be entitled to transfer the Shares held by him or cease to be a member of the Stock Exchange(s) to the end and intent that he shall continue to hold such minimum number of Shares as were held by him prior to his becoming a director with unlimited liability.
69	Subject to the provisions of Articles 64, 65 and 87 hereof, any person becoming entitled to Shares in consequences of the death, lunacy, bankruptcy or insolvency or any member, or the marriage of any female member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Board, which it 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 the Article or of his title, as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person, nominated by him and approved by the Board, registered as such person, provided, nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein to in these Articles as "The Transmission Article".
70	Subject to the provisions of the Act, a person entitled to a Share by transmission shall, subject to the right of the Directors to retain such dividend or money as hereinafter provided, be entitled to receive and may be given a discharge for, any dividends or other moneys payable in respect of the Share.
71	No fees shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar document.
72	The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof, as shown or appearing in the Register of Members, to the prejudice of persons having or claiming any equitable right, title or interest to or in the said



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	Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting of such transfer, and may have entered such notice, referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.
<b>DEMATERIALIZATION OF SECURITIES</b>	
73	Notwithstanding anything contained in the Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities and offer such shares, debentures and other securities in a dematerialised form pursuant to the Depositories Act 1996.
74	Notwithstanding anything contained in the Articles, and subject to the provisions of the law for the time being in force, the Company shall on a request made by a beneficial owner, re-materialise the shares, which are in dematerialised form.
75	Every Person subscribing to the shares offered by the Company shall have the option to receive share certificates or to hold the shares with a Depository. Where Person opts to hold any share with the Depository, the Company shall intimate such Depository of details of allotment of the shares to enable the Depository to enter in its records the name of such Person as the beneficial owner of such shares. Such a Person who is the beneficial owner of the shares can at any time opt out of a Depository, if permitted by the law, in respect of any shares in the manner provided by the Depositories Act 1996 and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of shares. In the case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act 1996 shall apply.
76	If a Person opts to hold his shares with a Depository, the Company shall intimate such Depository the details of allotment of the shares, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the shares.
77	All shares held by a Depository shall be dematerialised and shall be in a fungible form. (a) Notwithstanding anything to the contrary contained in the Act or the Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of shares on behalf of the beneficial owner. (b) Save as otherwise provided in (a) above, the Depository as the registered owner of the shares shall not have any voting rights or any other rights in respect of shares held by it.
78	Every person holding shares of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be the owner of such shares and shall also be deemed to be a shareholder of the Company. The beneficial owner of the shares shall be entitled to all the liabilities in respect of his shares which are held by a Depository. The Company shall be further entitled to maintain a register of members with the details of members holding shares both in material and dematerialised form in any medium as permitted by law including any form of electronic medium.
79	Notwithstanding anything in the Act or the Articles to the contrary, where shares are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of disks, drives or any other mode as prescribed by law from time to time.
80	Nothing contained in the Act or the Articles regarding the necessity to have distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.
<b>CONVERSION OF SHARES INTO STOCK AND RECONVERSION</b>	
81	The Company, by resolution in general meeting, may convert any paid-up Shares into stock, or may, at any time, reconvert any stock into paid up Shares of any denomination. When any Shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interests therein, or any part of such interest, in the same manner and, subject to the same regulations as to which Shares in the Company may be transferred or as near thereto as circumstances will admit. But the Directors may, from time to time, if they think fit, fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, but with full power nevertheless, at their discretion, to waive such rules in any particular case. The notice of such conversion of Shares into stock or reconversion of stock into Shares shall be filed with the Registrar of Companies as provided in the Act.

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82	The Stock shall confer on the holders thereof respectively the same privileges and advantages, as regards participation in profits and voting at meetings of the Company and, for other purposes, as would have been conferred by Shares of equal amount in the capital of the Company of the same class as the Shares from which such stock was converted but no such privilege or advantage, except the participation in profits of the Company, or in the assets of the Company on a winding up, shall be conferred by any such aliquot part or, consolidated stock as would not, if existing in Shares, have conferred such privileges or advantages. No such conversion shall affect or prejudice any preference or other special privilege attached to the Shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to Shares and the words "Share" and "Shareholder" in these presents shall include "stock" and "stock-holder".
83	<p>The Company may issue Share warrants in the manner provided by the said Act and accordingly the Directors may, in their discretion, with respect to any fully paid up Share or stock, on application, in writing, signed by the person or all persons registered as holder or holders of the Share or stock, and authenticated by such evidence, if any, as the Directors may, from time to time, require as to the identity of the person or persons signing the application, and on receiving the certificate, if any, of the Share or stock and the amount of the stamp duty on the warrant and such fee as the Directors may, from time to time, prescribe, issue, under the Seal of the Company, a warrant, duly stamped, stating that the bearer of the warrant is entitled to the Shares or stock therein specified, and may provide by coupons or otherwise for the payment of future dividends, or other moneys, on the Shares or stock included in the warrant. On the issue of a Share warrant the names of the persons then entered in the Register of Members as the holder of the Shares or stock specified in the warrant shall be struck off the Register of Members and the following particulars shall be entered therein.</p> <p>(i) fact of the issue of the warrant.</p> <p>(ii) a statement of the Shares or stock included in the warrant distinguishing each Share by its number, and</p> <p>(iii) the date of the issue of the warrant.</p>
84	A Share warrant shall entitle the bearer to the Shares or stock included in it, and, notwithstanding anything contained in these articles, the Shares or stock shall be transferred by the delivery of the Share-warrant, and the provisions of the regulations of the Company with respect to transfer and transmission of Shares shall not apply thereto.
85	The bearer of a Share-warrant shall, on surrender of the warrant to the Company for cancellation, and on payment of such fees, as the Directors may, from time to time, prescribe, be entitled, subject to the discretion of the Directors, to have his name entered as a member in the Register of Members in respect of the Shares or stock included in the warrant.
86	The bearer of a Share-warrant shall not be considered to be a member of the Company and accordingly save as herein otherwise expressly provided, no person shall, as the bearer of Share-warrant, 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 of meetings or otherwise, or qualified in respect of the Shares or stock specified in the warrant for being a director of the Company, or have or exercise any other rights of a member of the Company.
87	The Directors may, from time to time, make rules as to the terms on which, if they shall think fit, a new Share warrant or coupon may be issued by way of renewal in case of defacement, loss, or destruction.
<b>NOMINATION BY SECURITY HOLDER</b>	
88	<p>(i) Every holder of Securities in the Company may, at any time, nominate, in the prescribed manner, a person to whom his Securities in the Company, shall vest in the event of his death.</p> <p>(ii) Where the Securities in the Company are held by more than one person jointly, the joint-holders may together nominate, in the prescribed manner, a person to whom all the rights in the Securities in the Company shall vest in the event of death of all joint holders.</p> <p>(iii) Notwithstanding anything contained in these Articles or any other law, for the time being, in force, or in any disposition, whether testamentary or otherwise, in respect of such</p>

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	<p>Securities in the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Securities in the Company, the nominee shall, on the death of the Shareholders of the Company or, as the case may be, on the death of the joint holders, become entitled to all the rights in the Securities of the Company or, as the case may be, all the joint holders, in relation to such securities in the Company, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.</p> <p>(iv) In the case of fully paid up Securities in the Company, where the nominee is a minor, it shall be lawful for the holder of the Securities, to make the nomination to appoint in the prescribed manner any person, being a guardian, to become entitled to Securities in the Company, in the event of his death, during the minority.</p>
89	<p>(i) Any person who becomes a nominee by virtue of the provisions of the preceding Article, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either –</p> <p>(a) to be registered himself as holder of the Share(s); or</p> <p>(b) to make such transfer of the Share(s) as the deceased Shareholder could have made.</p> <p>(ii) If the person being a nominee, so becoming entitled, elects to be registered as holder of the Share(s), himself, 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 shareholder.</p> <p>(iii) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfers of Securities shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer has been signed by that Shareholder.</p> <p>(iv) A person, being a nominee, becoming entitled to a Share by reason of the death of the holder, shall be entitled to the same dividends and other advantages which he would be entitled if he were the registered holder of the Share except that he shall not, before being registered a member in respect of his Share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share(s) and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share(s) or until the requirements of the notice have been complied with.</p>
<b>MEETING OF MEMBERS</b>	
90	<p>(i) The Company shall, in each year, hold a general meeting as its Annual General Meeting. Any meeting, other than Annual General Meeting, shall be called Extra-ordinary General Meeting.</p> <p>(ii) Not more than 15 (Fifteen) months or such other period, as may be prescribed, from time to time, under the Act, shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of the Act to extend time within which any Annual General Meeting may be held.</p> <p>(iii) Every Annual General Meeting shall be called for a time during business hours i.e., between 9 a.m. and 6 p.m., on a day that is not a National Holiday, and shall be held at the Office of the Company or at some other place within the city, in which the Office of the Company is situated, as the Board may think fit and determine and the notices calling the Meeting shall specify it as the Annual General Meeting.</p> <p>(iv) Every member of the Company shall be entitled to attend, either in person or by proxy, and by way of a postal ballot whenever and in the manner as may permitted or prescribed under the provisions of the Act, and the Auditors to the Company, who shall have a right to attend and to be heard, at any general meeting which he attends, on any part of the business, which</p>

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	concerns him as the Auditors to the Company, further, the Directors, for the time being, of the Company shall have a right to attend and to be heard, at any general meeting, on any part of the business, which concerns them as the Directors of the Company or generally the management of the Company.
	(v) At every Annual General Meeting of the Company, there shall be laid, on the table, the Directors' Report and Audited Statements of Account, Auditors' Report, the proxy Register with forms of proxies, as received by the Company, and the Register of Directors' Share holdings, which Register shall remain open and accessible during the continuance of the meeting, and therefore in terms of the provisions of Section 96 of the Act, the Annual General Meeting shall be held within six months after the expiry of such financial year. The Board of Directors shall prepare the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with the applicable provisions of the Act.
91	The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting and it shall do so upon a requisition, in writing, by any member or members holding, in aggregate not less than one-tenth or such other proportion or value, as may be prescribed, from time to time, under the Act, of such of the paid-up capital as at that date carries the right of voting in regard to the matter, in respect of which the requisition has been made.
92	Any valid requisition so made by the members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office, provided that such requisition may consist of several documents, in like form, each of which has been signed by one or more requisitionists.
93	Upon receipt of any such requisition, the Board shall forthwith call an Extra-ordinary General Meeting and if they do not proceed within 21 (Twenty-one) days or such other lessor period, as may be prescribed, from time to time, under the Act, from the date of the requisition, being deposited at the office, to cause a meeting to be called on a day not later than 45 (Forty-five) days or such other lessor period, as may be prescribed, from time to time, under the Act, from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid up Share capital held by all of them or not less than one-tenth of such of the paid up Share Capital of the Company as is referred to in Section 100(4) of the Act, whichever is less, may themselves call the meeting, but, in either case, any meeting so called shall be held within 3 (Three) months or such other period, as may be prescribed, from time to time, under the Act, from the date of the delivery of the requisition as aforesaid.
94	Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible as that in which such meetings are to be called by the Board.
95	At least 21 (Twenty-one) days' notice, of every general meeting, Annual or Extra-ordinary, and by whomsoever called, specifying the day, date, place and hour of meeting, and the general nature of the business to be transacted there at, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company, provided that in the case of an General Meeting, with the consent of members holding not less than 95 per cent of such part of the paid up Share Capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting of the Shareholders of the Company, if any business other than <ul style="list-style-type: none"> <li data-bbox="373 1581 1394 1637">(i) the consideration of the Accounts, Balance Sheet and Reports of the Board and the Auditors thereon</li> <li data-bbox="373 1671 767 1693">(ii) the declaration of dividend,</li> <li data-bbox="373 1727 1010 1749">(iii) appointment of directors in place of those retiring,</li> <li data-bbox="373 1783 1166 1816">(iv) the appointment of, and fixing the remuneration of, the Auditors,</li> </ul> is to be transacted, and in the case of any other meeting, in respect of any item of business, a statement setting out all material facts concerning each such item of business, including, in particular, the nature and extent of the interest, if any, therein of every director and manager, if any, where any such item of special business relates to, or affects any other company, the extent of shareholding interest in that other company or every director and manager, if any, of the Company shall also be set out in the statement if the extent of such Share-holding interest is

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	<p>not less than such percent, as may be prescribed, from time to time, under the Act, of the paid-up Share Capital of that other Company.</p> <p>Where any item of business consists of the according of approval of the members to any document at the meeting, the time and place, where such document can be inspected, shall be specified in the statement aforesaid.</p>
96	The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof shall not invalidate any resolution passed at any such meeting.
97	No general meeting, whether Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.
98	Subject to the provisions of the Act and these Articles, five (5) shareholders shall constitute quorum in Shareholders' Meetings of the Company if number of shareholders as on date of meeting is not more than One Thousand; Fifteen (15) shareholders shall constitute quorum in Shareholders' Meetings of the Company if number of shareholders as on date of meeting is more than One Thousand but not more than Five Thousand; Thirty (30) shareholders shall constitute quorum in Shareholders' Meetings of the Company if number of shareholders as on date of meeting exceeds five thousand.
99	A body corporate, being a member, shall be deemed to be personally present, if it is represented in accordance with and in the manner as may be prescribed by, the applicable provisions of the Act.
100	If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, then the meeting, if convened by or upon the requisition of members, shall stand dissolved, but in any other case, it shall stand adjourned to such time on the following day or such other day and to such place, as the Board may determine, and, if no such time and place be determined, to the same day in the next week, at the same time and place in the city or town in which the office of the Company is, for the time being, situate, as the Board may determine, and, if at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.
101	The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, whether Annual or Extra-ordinary. If there be no such Chairman, or, if, at any meeting, he shall not be present within 15 (Fifteen) minutes of the time appointed for holding such meeting, then the members present shall elect another director as the Chairman of that meeting, and, if no director be present, or if all the Directors present decline to take the Chair, then the members present shall elect one among them to be the Chairman.
102	No business shall be discussed at any general meeting, except the election of a Chairman, whilst the Chair is vacant.
103	The Chairman, with the consent of the meeting, may adjourn any meeting, from time to time, and from place to place, in the city or town, in which the office of the Company is, for the time being, situate, but no business shall be transacted at any adjourned meeting, other than the business left unfinished, at the meeting, from which the adjournment took place.
104	At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is demanded, before or on the declaration of the result of the show of hands, by any member or members present in person or by proxy and holding Shares in the Company, which confer a power to vote on the resolution not being less than one-tenth or such other proportion as may statutorily be prescribed, from time to time, under the Act, of the total voting power, in respect of the resolution or on which an aggregate sum of not less than Rs. 500,000/- or such other sum as may statutorily be prescribed, from time to time, under the Act, has been paid up, and unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried unanimously or by a particular majority, or has been lost and an entry to that effect in the minutes book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.
105	In the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll, if any, have a casting vote in addition to the vote of votes, if any, to which he may be entitled as a member if he is.
106	If a poll is demanded as aforesaid, the same shall, subject to Article 108 hereunder, be taken at Ahmedabad or, if not desired, then at such other place as may be decided by the Board, at such

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	time not later than 48 (Forty-eight) hours from the time when the demand was made and place in the city or town in which the office of the Company is, for the time being, situate, and, either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the persons, who made the demand.
107	Where a poll is to be taken, the Chairman of the meeting shall appoint one or, at his discretion, two scrutinisers, who may or may not be members of the Company to scrutinise the votes given on the poll and to report thereon to him, subject to that one of the scrutinisers so appointed shall always be a member, not being an officer or employee of the Company, present at the meeting, provided that such a member is available and willing to be appointed. The Chairman shall have power, at any time, before the result of the poll is declared, to remove a scrutiniser from office and fill the vacancy so caused in the office of a scrutiniser arising from such removal or from any other cause.
108	Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment of the meeting shall be taken forthwith at the same meeting.
109	The demand for a poll, except on questions of the election of the Chairman and of an adjournment thereof, 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>	
110	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 or upon a poll 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, or has exercised, any right of lien.
111	Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions so 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, speak and 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 be present at any meeting of the Company, subject to the provision of section 47, he shall have a right to vote only on resolutions, placed before the meeting, which directly affect the rights attached to his Preference Shares.
112	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.
113	A member of unsound mind or in respect of whom an order has been made by a court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian; and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote, in respect of his Share or Shares, be used by his guardian, or any one of his guardians, if more than one, to be selected, in the case of dispute, by the Chairman of the meeting.
114	If there be joint registered holders of any Shares, any one of such persons may vote at any meeting or may appoint another person, whether a member or not, as his proxy, in respect of such Shares, as if he were solely entitled thereto, but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting, then one of the said persons so present, whose name stands higher on the Register, shall alone be entitled to speak and to vote in respect of such Shares, but the other of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name Shares stand shall, for the purpose of these Articles, be deemed joint holders thereof.
115	Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate, being a member, may vote either by a proxy or by a representative, duly authorised, in accordance with the applicable provisions, if any, of the Act, and such representative shall be entitled to exercise the same rights and powers, including the right to vote by proxy, on behalf of the body corporate, which he represents, as that body corporate could exercise, if it were an individual member.
116	Any person entitled, under the Article 61 hereinabove, to transfer any Share, may vote, at any

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	general meeting, in respect thereof, in the same manner, as if he were the registered holder of such Shares provided that forty-eight hours at least 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 indemnity, if any, as the Directors may require or the Directors shall have provisionally admitted his right to vote at such meeting in respect thereof.
117	Every proxy, whether a member or not, shall be appointed, in writing, under the hand of the appointer or his attorney, or if such appointer is a body corporate under the common seal of such corporate, or be signed by an officer or officers or any attorney duly authorised by it or them, and, for a member of unsound mind or in respect of whom an order has been made by a court having jurisdiction in lunacy, any committee or guardian may appoint such proxy. The proxy so appointed shall not have a right to speak on any matter at the meeting.
118	An instrument of Proxy may state the appointment of a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.
119	A member, present by proxy, shall be entitled to vote only on a poll.
120	The instrument appointing a proxy and a Power of Attorney or other authority, if any, under which it is signed or a notarised certified copy of that power of authority, shall be deposited at the Office not later than 48 (Forty-eight) hours before the time for holding the meeting at which the person named in the Instrument proposes to vote, and, in default, the Instrument of Proxy shall not be treated as valid. No instrument appointing a proxy shall be a valid after the expiration of 12 (Twelve) months or such other period as may be prescribed under the Laws, for the time being, in force, or if there shall be no law, then as may be decided by the Directors, from the date of its execution.
121	Every Instrument of proxy, whether for a specified meeting or otherwise, shall, as nearly as circumstances thereto will admit, be in any of the forms as may be prescribed from time to time.
122	A vote, given in accordance with the terms of an Instrument of Proxy, shall be valid notwithstanding the previous death of insanity of the principal, or revocation of the proxy or of any power of Attorney under which such proxy was 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.
123	No objections shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy, or not disallowed at such meeting or on a poll, shall be deemed as valid for all purposes of such meeting or a poll whatsoever.
124	The Chairman, present at the time of taking of a poll, shall be the sole judge of the validity of every vote tendered at such poll.
125	<p>(i) The Company shall cause minutes of all proceeding of every general meeting to be kept by making, within 30 (Thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept, whether manually in the registers or by way of loose leaves bound together, as may be decided by the Board of Directors, for that purpose with their pages consecutively numbered.</p> <p>(ii) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a director duly authorised by the Board for that purpose.</p> <p>(iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</p> <p>(iv) The minutes of each meeting shall contain a fair and correct summary of the proceedings there at.</p> <p>(v) All appointments made at any meeting aforesaid shall be included in the minutes of the meeting.</p>

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	(vi) Nothing herein contained shall require or to be deemed to require the inclusion, in any such minutes, of any matter, which, in the opinion of the Chairman of the meeting, (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.
	(vii) Any such minutes shall be conclusive evidence of the proceedings recorded therein.
	(viii) The book containing the minutes of proceedings of general meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than 2 (Two) hours, in each day, as the Directors determine, to the inspection of any member without charge.
	(ix) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the SEBI Listing Regulations or any other Law, if applicable to the Company.

#### DIRECTORS

126	<p>Until otherwise determined by a general meeting of the Company and, subject to the applicable provisions of the Act, the number of Directors) shall not be less than three nor more than fifteen, provided that the Company may appoint more than fifteen directors after passing a special resolution. The Company shall have at the minimum such number of independent Directors on the Board of the Company, as may be required in terms of the provisions of applicable law. In addition, not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations.</p> <p>The First directors of the Company are:</p> <ol style="list-style-type: none"> <li>1. RAMESHBHAI RAVAJIBHAI TALAVIA</li> <li>2. JAMANKUMAR HANSARAJBHAI TALAVIA</li> <li>3. MANJULABEN R TALAVIA</li> <li>4. MUKTABEN JAMANKUMAR TALAVIA</li> </ol>
127	<p>(i) Whenever, Directors enter into a contract with any Government, whether central, state or local, bank or financial institution or any person or persons (hereinafter referred to as “the appointer”) for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever or in case of Promoters of the Company (hereinafter referred as “Promoters”), the Directors shall have, subject to the provisions of Section 152 and other applicable provisions, if any, of the Act, the power to agree that such appointer or Promoters shall have the right to appoint or nominate by a notice, in writing, addressed to the Company, one or more Directors on the Board (hereinafter referred to as “Special Director”) for such period and upon such terms and conditions, as may be mentioned in the agreement if any, and that such Director or Directors may or may not be liable to retire by rotation, nor be required to hold any qualification Shares. The Directors may also agree that any such Director or Directors may be removed, from time to time, by the appointer or Promoter, entitled to appoint or nominate them and the appointer or Promoter may appoint another or others in his or their place and also fill in vacancy, which may occur as a result of any such director or directors ceasing to hold that office for any reasons whatsoever. The Directors, appointed or nominated under this Article, shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the directors of the Company including payment of remuneration, sitting fees and travelling expenses to such director or directors, as may be agreed by the Company with the appointer.</p> <p>(ii) The Company shall have such number of Independent Directors on the Board or Committees of the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI Listing Regulations or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law</p>



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	and subject to the requirements prescribed under the SEBI Listing Regulations.
	(iii) The Special Directors, appointed under the preceding Article, shall be entitled to hold Office until required by the Government, person, firm, body corporate promoters or financial institution/s who may have appointed them. A Special Director shall not be required to hold any qualification Share(s) in the Company. As and when a Special Director vacates Office, whether upon request as aforesaid or by death, resignation or otherwise, the Government, person, firm or body corporate promoters or financial institution, who appointed such Special Director, may appoint another director in his place. Every nomination, appointment or removal of a Special Director or other notification, under this Article, shall be in writing and shall, in the case of the Government, be under the hand of a Secretary or some other responsible and authorised official to such Government, and in the case of a company or financial institution, under the hand of director of such company or institution duly authorised in that behalf by a resolution of the Board of Directors. Subject as aforesaid, a Special Director shall be entitled to the same rights and privileges and be subject to the same of obligations as any other director of the Company.
128	If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any person or persons shall have power to nominate a director of the Company, then in the case of any and every such issue of Debentures, the person or persons having such power may exercise such power, from time to time, and appoint a director accordingly. Any director so appointed is hereinafter referred to as “the Debenture Director”. A Debenture Director may be removed from Office, at any time, by the person or persons in whom, for the time being, is vested the power, under which he was appointed, and another director may be appointed in his place. A Debenture Director shall not be required to hold any qualification Share(s) in the Company.
129	Subject to the provisions of section 161(2) of the Act, 2013, 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 3 (Three) months or such other period as may be, from time to time, prescribed under the Act, from India, in which the meetings of Board are ordinarily held. An alternate director appointed, under this Article, shall not hold Office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate Office, if and when the Original Director returns to that State. If the term of Office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic re-appointment of a retiring director, in default of another appointment, shall apply to the original director and not to the alternate director.
130	Subject to the provisions of section 161(1) of the Act, 2013, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not, at any time, exceed the maximum fixed under these Articles. Any such Additional Director shall hold Office only upto the date of the next Annual General Meeting.
131	Subject to the provisions of section 152 and 162 of the Act, 2013, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be a director to fill a casual vacancy. Any person so appointed 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.
132	A director shall not be required to hold any qualification Share(s) in the Company.
133	<p>(i) Subject to the provisions of section 196, 197 and read with schedule V of the Companies Act, 2013 and other provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations, a Managing Director or Director who is in the Whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, or in any other manner, as may be, from time to time, permitted under the Act or as may be thought fit and proper by the Board or, if prescribed under the Act, by the Company in general meeting.</p> <p>(ii) Subject generally to the provisions of the Act, and, in the case of the Managing Director, subject to the provisions of the Articles herein below, as may be applicable, the Board shall have power to pay such remuneration to a director for his services, Whole-time or otherwise, rendered to the Company or for services of professional or other nature rendered by</p>

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	<p>him, as may be determined by the Board. If any director, being willing, shall be called upon to perform extra services or make any special exception in going to or residing at a place other than the place where the director usually resides, or otherwise in or for the Company's business or for any of the purpose of the Company, then, subject to the provisions of the Act, the Board shall have power to pay to such director such remuneration, as may be determined by the Board.</p> <p>(iii) Subject to the provisions of the Act, a director, who is neither in the Whole-time employment nor a Managing Director, may be paid remuneration either;</p> <p>(a) by way of monthly, quarterly or annual payment with the approval of the Central Government; or</p> <p>(b) by way of commission, if the Company, by a special resolution, authorises such payment.</p> <p>(iv) The fee payable to a director, excluding a Managing or Whole time Director, if any, for attending a meeting of the Board or Committee thereof shall be such sum, as the Board may, from time to time, determine, but within and subject to the limit prescribed by the Central Government pursuant to the provisions, for the time being, under the Act.</p>
134	<p>The Board may allow and pay to any director such sum, as the Board may consider fair compensation, for travelling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified and if any director be called upon to go or reside out of the ordinary place of his residence for the Company's business, he shall be entitled to be repaid and reimbursed of any travelling or other expenses incurred in connection with business of the Company. The Board may also permit the use of the Company's car or other vehicle, telephone(s) or any such other facility, by the director, only for the business of the Company.</p>
135	<p>The continuing Directors may act, notwithstanding, any vacancy in their body but if, and so long as their number is not reduced below the minimum number fixed by Article 111 hereof. the continuing Directors, not being less than two, may only act, for the purpose of increasing the number of Directors to that prescribed minimum number or of summoning a general meeting but for no other purpose.</p>
136	<p>The office of director shall be vacated, pursuant to the provisions of section 164 and section 167 of the Companies Act, 2013. Further, the Director may resign his office by giving notice to the Company pursuant to section 168 of the Companies Act, 2013</p>
137	<p>The Company shall keep a Register, in accordance with Section 189(1) of the Act, and within the time as may be prescribed, enter therein such of the particulars, as may be relevant having regard to the application thereto of Section 184 or Section 188 of the Act, as the case may be. The Register aforesaid shall also specify, in relation to each director of the Company, names of the bodies corporate and firms of which notice has been given by him, under the preceding two Articles. The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and the extracts may be taken there from and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 189(3) of the Act shall apply accordingly.</p>
138	<p>A director may be or become a director of any other Company promoted by the Company or in which it may be interested as a vendor, Shareholder or otherwise, and no such director shall be accountable for any benefits received as director or Shareholder of such Company except in so far as the provisions of the Act may be applicable.</p>
139	<p>(i) At every Annual General Meeting of the Company, one-third of such of the Directors, for the time being, as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from Office. The Independent, Nominee, Special and Debenture Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of directors to retire, subject to Section 152 and other applicable provisions, if any, of the Act.</p> <p>(ii) Subject to Section 152 of the Act, the directors, liable to retire by rotation, at every annual general meeting, shall be those, who have been longest in Office since their last appointment, but as between the persons, who became Directors on the same day, and those who are liable to retire by rotation, shall, in default of and subject to any agreement among themselves, be determined by lot.</p>
140	<p>A retiring director shall be eligible for re-election and shall act as a director throughout the</p>

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	meeting at which he retires.
141	Subject to Section 152 of the Act, the Company, at the general meeting at which a director retires in manner aforesaid, may fill up the vacated Office by electing a person thereto.
142	<p>(i) If the place of retiring director is not so filled up and further the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day, which is not a public holiday, at the same time and place.</p> <p>(ii) If at the adjourned meeting also, the place of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meetings, unless:-</p> <p>(a) at that meeting or at the previous meeting, resolution for the re-appointment of such director has been put to the meeting and lost;</p> <p>(b) the retiring director has, by a notice, in writing, addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;</p> <p>(c) he is not qualified, or is disqualified, for appointment.</p> <p>(d) a resolution, whether special or ordinary, is required for the appointment or reappointment by virtue of any provisions of the Act; or</p> <p>(e) Section 162 of the Act is applicable to the case.</p>
143	Subject to the provisions of Section 149 of the Act, the Company may, by special resolution, from time to time, increase or reduce the number of directors, and may alter their qualifications and the Company may, subject to the provisions of Section 169 of the Act, remove any director before the expiration of his period of Office and appoint another qualified person in his stead. The person so appointed shall hold Office during such time as the director, in whose place he is appointed, would have held, had he not been removed.
144	<p>(i) No person, not being a retiring director, shall be eligible for appointment to the office of director at any general meeting unless he or some member, intending to propose him, has, not less than 14 (Fourteen) days or such other period, as may be prescribed, from time to time, under the Act, before the meeting, left at the Office of the Company, a notice, in writing, under his hand, signifying his candidature for the Office of director or an intention of such member to propose him as a candidate for that office, along with a deposit of Rupees One lakh or such other amount as may be prescribed, from time to time, under the Act, which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a director or gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution.</p> <p>(ii) Every person, other than a director retiring by rotation or otherwise or a person who has left at the Office of the Company a notice under Section 160 of the Act signifying his candidature for the Office of a director, proposed as a candidate for the Office of a director shall sign and file with the Company, the consent, in writing, to act as a director, if appointed.</p> <p>(iii) A person, other than a director re-appointed after retirement by rotation immediately on the expiry of his term of Office, or an Additional or Alternate Director, or a person filling a casual vacancy in the Office of a director under Section 161 of the Act, appointed as a director or reappointed as a director immediately on the expiry of his term of Office, shall not act as a director of the Company, unless he has, within thirty days of his appointment, signed and filed with the Registrar his consent, in writing, to act as such director.</p>
145	The Company shall keep at its Office a Register containing the particulars of its directors and key managerial personnel and their shareholding as mentioned in Section 170 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.
146	Every director and Key Managerial Personnel within a period of thirty days of his appointment, or relinquishment of his office, as the case may be, disclose to the company the particulars specified in sub-section (1) of section 184 relating to his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association

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	which are required to be included in the register under that section 189 of the Companies Act, 2013.
147	(i) Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint, from time to time, any of its member as a Managing Director or Managing Directors of the Company for a fixed term, not exceeding 5 (Five) years at a time, and upon such remuneration and terms and conditions as the Board thinks fit, and subject to the provisions of any contract between him and the Company, remove or dismiss him from office and appoint another in his place and subject to the provisions of the succeeding Article hereof, the Board may, by resolution, vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board generally, as it thinks fit, and such powers may be made exercisable for such period or periods; and upon such conditions and subject to such restrictions, as it may determine. The remuneration of a Managing Director may be by way of salary and/or allowances, commission or participation in profits or perquisites of any kind, nature or description, or by any or all of these modes, or by any other mode(s) not expressly prohibited by the Act or the Rules made thereunder, or any notification or circular issued under the Act.
148	Subject to the superintendence, directions and control of the Board, the Managing Director or Managing Directors shall exercise the powers, except to the extent mentioned in the matters, in respect of which resolutions are required to be passed only at the meeting of the Board, under Section 179 of the Act and the rules made thereunder.
<b>PROCEEDINGS OF THE BOARD OF DIRECTOR</b>	
149	Unless decided by the Board to the contrary, depending upon the circumstances of the case, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, in accordance with the Article 124 hereof. If he ceases to hold the office of director, he shall ipso-facto and forthwith ceases to hold the office of Managing Director.
150	The Directors may meet together as a Board for the despatch of business, from time to time, and shall so meet at least once in every 3 (Three) months and at least 4 (Four) such meetings shall be held in every year in such a manner that not more than one hundred and twenty days (120) days shall intervene between two consecutive meetings of the Board. The Directors may adjourn and otherwise regulate their meetings as they think fit, subject to the provisions of the Act. The Board of directors may participate in a meeting of the Board either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time subject to the rules as may be prescribed.
151	Not less than seven (7) days' Notice of every meeting of the Board may be given, in writing, in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means. Subject to the provisions of section 173(3) meeting may be called at shorter notice.
152	Subject to Section 174 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength, excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one, or two directors, whichever is higher, provided that where, at any time, the number of interested directors exceeds or is equal to two-thirds of the total strength the number of the remaining directors, that is to say, the number of directors who are not interested, present at the meeting, being not less than two, shall be the quorum, during such time.
153	If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned for 30 minutes in the same day and at same place.
154	A director may, at any time, or Secretary shall, as and when directed by the any of the Directors to do so, convene a meeting of the Board, by giving a notice, in writing, to every other director.
155	The Board may, from time to time, elect one of their members to be the Chairman of the Board and determine the period for which he is to hold the office. If at any meeting of the Board, the Chairman is not present at a time appointed for holding the same, the directors present shall choose one of them, being present, to be the Chairman of such meeting.
156	Subject to the restrictive provisions of any agreement or understanding as entered into by the Company with any other person(s) such as the collaborators, financial institutions, etc., the questions arising at any meeting of the Board shall be decided by a majority of the votes of the directors present there at and, also subject to the foregoing, in the case of an equality of votes, the Chairman shall have a second or casting vote.
157	A meeting of the Board, at which a quorum is present, shall be competent to exercise all or any of the authorities, powers and discretions, which, by or under the Act or the Articles of the

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158	<p>Company, are, for the time being, vested in or exercisable by the Board generally.</p> <p>applicable provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations. Subject to the restrictions contained in Section 179 of the Act 2013 and the rules made thereunder, the Board may delegate any of their powers to the committee of the Board, consisting of such number of its body, as it thinks fit, and it may, from time to time, revoke and discharge any such committee of the Board, either wholly or in part and either as to persons or purposes, but every committee of the Board, 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 of the Board, in conformity with such regulations, and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if were done by the Board.</p>
159	<p>The meetings and proceedings of any meeting of such Committee of the Board, consisting of two or more members, shall be governed by the provisions contained herein for regulating the meetings and proceedings of the meetings 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.</p>
160	<p>No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors or to all the members of the Committee, then in India, not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be, and to all the directors or to all the members of the Committee, at their usual addresses in India and has been approved, in writing, by such of the directors or members of the Committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.</p>
161	<p>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 or was, as the case may be, disqualified or had vacated office or that the appointment of any of them was 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 duly been appointed and was qualified to be a director and had not vacated his office or his appointed had not been terminated, provided that nothing in this Article shall be deemed to give validity to any act or acts done by a director or directors after his or their appointment(s) has or have been shown to the Company to be invalid or to have terminated.</p>
162	<p>(i) The Company shall cause minutes of all proceedings of every meeting of the Board and the Committee thereof to be kept by making, within 30 (Thirty) days of the conclusion of each such meeting, entries thereof in books kept, whether manually in the registers or by way of loose leaves bound together, as may be decided by the Board of Directors, for that purpose with their pages consecutively numbered.</p> <p>(ii) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</p> <p>(iii) In no case, the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</p> <p>(iv) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>(v) All appointment made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>(vi) The minutes shall also contain :-</p> <p>(a) the names of the Directors present at the meeting; and</p> <p>(b) in the case of each resolution passed at the meeting, the names of the directors, if any</p>

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	<p>dissenting from or not concurring in the resolution.</p> <p>(vii) Nothing contained in sub-clauses (i) to (vii) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting –</p> <p>(a) is, or could reasonably be regarded as, defamatory of any person;</p> <p>(b) is irrelevant or immaterial to the proceedings; or</p> <p>(c) is detrimental to the interests of the Company;</p> <p>and that the Chairman shall exercise an absolute discretion with regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in this sub-clause.</p> <p>(viii) Minutes of the meetings kept in accordance with the aforesaid provisions shall be an evidence of the proceedings recorded therein.</p>
163	<p>Without prejudice to the general powers as well as those under the Act, and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles or otherwise, it is hereby declared that the Directors shall have, inter alia, the following powers, that is to say, power -</p> <p>(i) to pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company;</p> <p>(ii) to pay and charge, to the account of the Company, any commission or interest lawfully payable thereon under the provision of the Act;</p> <p>(iii) subject to the provisions of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges, which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and being in the interests of the Company, and in any such purchase or other acquisition to accept such title or to obtain such right as the directors may believe or may be advised to be reasonably satisfactory;</p> <p>(iv) at their discretion and subject to the provisions of the Act, to pay for any property, right or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in Shares, Bonds, Debentures, mortgages, or other securities of the Company, and any such Shares may be issued either as fully paid up, with such amount credited as paid up thereon, as may be agreed upon, and any such bonds, Debentures, mortgages or other securities may either be specifically charged upon all or any part of the properties of the Company and its uncalled capital or not so charged;</p> <p>(v) to secure the fulfilment of any contracts or engagement entered into by the Company or, in the interests or for the purposes of this Company, by, with or against any other Company, firm or person, by mortgage or charge of all or any of the properties of the Company and its uncalled capital, for the time being, or in such manner and to such extent as they may think fit;</p> <p>(vi) to accept from any member, as far as may be permissible by law, a surrender of his Shares or any part thereof, whether under buy-back or otherwise, on such terms and conditions as shall be agreed mutually, and as may be permitted, from time to time, under the Act or any other Law or the Regulations, for the time being, in force,</p> <p>(vii) to appoint any person to accept and hold in trust, for the Company, any property belonging to the Company, in which it is interested, or for any other purposes, and execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;</p> <p>(viii) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts, due and of any</p>

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	differences to arbitration and observe and perform any awards made thereon;
(ix)	to act on behalf of the Company in all matters relating to bankruptcy and insolvents;
(x)	to make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company;
(xi)	subject to the applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security, not being 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 49 of the Act, all investments shall be made and held in the Company's own name;
(xii)	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 surety, for the benefit or purposes of the Company, such mortgages of the Company's property, present and future, as they may think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;
(xiii)	to determine from time to time, who shall be entitled to sign, on behalf of the Company, bills, invoices, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and or any other document or documents and to give the necessary authority for such purpose, and further to operate the banking or any other kinds of accounts, maintained in the name of and for the business of the Company;
(xiv)	to distribute, by way of bonus, incentive or otherwise, amongst the employees of the Company, a Share or Shares in the profits of the Company, and to give to any staff, officer or others employed by the Company a commission on the profits of any particular business or transaction, and to charge any such bonus, incentive or commission paid by the Company as a part of the operational expenditure of the Company;
(xv)	to provide for the welfare of directors or ex-directors, Shareholders, for the time being, 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 or dwellings, or grants of moneys, whether as a gift or otherwise, pension, gratuities, allowances, bonus, loyalty bonuses or other payments, also whether by way of monetary payments or otherwise, or by creating and from time to time, subscribing or contributing to provident and other association, institutions, funds or trusts and by providing or subscribing or contributing towards places of worship, instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance, as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects, which shall have any moral or other claim to support or aid by the Company, either by reason of locality or place of operations, or of public and general utility or otherwise;
(xvi)	before recommending any dividend, to set aside out of the profits of the Company such sums, as the Board may think proper, for depreciation or to a Depreciation Fund, or to an Insurance Fund, a Reserve Fund, Capital Redemption Fund, Dividend Equalisation Fund, Sinking Fund or any Special Fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes, including the purposes referred to in the preceding clause, as the Board may, in their absolute discretion, think conducive to the interests of the Company and, subject to the provisions of the Act, to invest the several sums so set aside or so much thereof, as required to be invested, upon such investments, other than shares of the Company, as they may think fit, and from time to time, to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes, as the Board, in their absolute discretion, think conducive to the interests of the Company, notwithstanding, that the matter, to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or

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	<p>expended, and to divide the Reserve Fund into such special funds, as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or divisions of a Reserve Fund and with full powers to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase of or repayment of debentures or debenture stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however 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, subject to the provisions of the applicable laws, for the time being, in force.</p> <p>(xvii) to appoint and at their discretion, remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents and servants or other employees, in or 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, emoluments or remuneration of such amount, as they may think fit.</p> <p>(xviii) to comply with the requirements of any local laws, Rules or Regulations, which, in their opinion, it shall, in the interests of the Company, be necessary or expedient to comply with.</p> <p>(xix) 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 powers 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 any such appointment may, if the Board thinks fit, be made in favour of the members or in favour of any Company, or the Share-holders, directors, nominees, or managers 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 Power of Attorney may contain such powers for the protection of convenience of person dealing with such Attorneys, as the Board may think fit, and may contain powers enabling any such delegates all or any of the powers, authorities and discretions, for the time being, vested in them;</p> <p>(xx) Subject to the provisions of the Act, for or in relation to any of the matters, aforesaid or otherwise, for the purposes of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do 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>(xxi) from time to time, make, vary and repeal bylaws for the regulation of the business of the Company, its Officers and Servants.</p>
<b>MANAGEMENT</b>	
164	<p>The Company shall not appoint or employ, at the same time, more than one of the following categories of managerial personnel, namely</p> <p>(i) Managing Director, and</p> <p>(ii) Manager</p>
<b>CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER</b>	
165	<p>Subject to the provisions of the Act,—</p> <p>(i) A chief executive officer, manager, company secretary, 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, 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, chief financial officer.</p>
166	A provision of the Act or these regulations requiring or authorising a thing to be done by or to



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	a director and chief executive officer, manager, company secretary, 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, chief financial officer.
<b>COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS</b>	
167	Copies of the Memorandum and Articles of Association of the Company and other documents, referred to in Section 17 of the Act, shall be sent by the Company to every member, at his request, within 7 (Seven) days of the request, on payment, if required by the Board, of the sum of Re.1/- (Rupee One Only) or such other higher sum, as may be prescribed, from time to time, under the Act and further decided, from time to time, by the Board, for each such copy.
<b>SEAL</b>	
168	(i) 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 that the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. The Common Seal of the Company shall be kept at its office or at such other place, in India, as the Board thinks fit.  The seal, if any, shall not be affixed to any instrument except by the authority of a resolution of the Board or a committee of the Board authorised by it in that behalf, and except in the presence of such persons as the Board may authorise for the purpose and as may be required under applicable law.
<b>DIVIDEND</b>	
169	The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles, and further subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid up or credited as paid up to the Shares held by them, respectively.
170	The Company, in general meeting, may declare that dividends be paid to the members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company may, in general meeting, declare a smaller dividend than was recommended by the Board.
171	Subject to the applicable provisions of the Act, no dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that :- (i) if the Company has not provided for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;  (ii) if the Company has incurred any loss in any previous financial year or years the amount of loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid as against the profits of the Company for any financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of schedule II of the Act.
172	The Board may, from time to time, pay to the members such interim dividend, as in their judgement, the position of the Company justifies.
173	Where capital is paid in advance of calls, such capital may carry interest as may be decided, from time to time, by the Board, but shall not, in respect thereof, confer a right to dividend or to participate in profits.
174	All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during which any portion or portions of the period in respect of which the dividend is paid up; but if any Share is issued on the terms providing that it shall rank for dividend as from a particular date or on such preferred rights, such Share shall rank for dividend accordingly.
175	The Board may retain the dividends payable upon Shares in respect of which any person is, under the Article 61 hereinabove, entitled to become a member, or which any person under that article is entitled to transfer until such person shall become a member in respect of such Shares, or shall duly transfer the same and until such transfer of Shares has been registered by the Company, notwithstanding anything contained in any other provision of the Act or these

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	Articles, the provisions of Section 206A of the Act or the corresponding section of Act, 2013 as and when notified shall apply.
176	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 or bonus or other moneys payable in respect of such Shares.
177	No member shall be entitled to receive payment of any interest or dividend in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares or otherwise howsoever, either alone or jointly with any other person or persons, and the Board may deduct, from the interest or dividend payable to any member, all sums of money so due from him to the Company.
178	Subject to the applicable provisions, if any, of the Act, a transfer of Shares shall not pass the right to any dividend declared thereon and made effective from the date prior to the registration of the transfer.
179	Unless otherwise directed, any dividend may be paid up by cheque or warrant or by a pay-slip sent through the post to the registered address of the member or person entitled, or, in the case of joint holders, to that one of them first named in the Register in respect of the joint holdings. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay-slip lost in transmission or for any dividend lost to the member or person entitled thereto due to or by the forged endorsement of any cheque or warrant or the fraudulent recovery of the dividend by any other means.
180	<p>(i) If the Company has declared a dividend but which has not been paid or claimed within 30 (Thirty) days from the date of declaration the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 (Thirty) days a special account to be opened by the Company in that behalf in any scheduled Bank called “the Unpaid Dividend Account of Dharmaj Crop Guard Limited”. The Company shall within a period of ninety days of making any transfer of an amount to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the Company and also on any other website approved by the Central Government, for this purpose. No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.</p> <p>(ii) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (Seven) years, from the date of such transfer shall be transferred by the Company to the Fund known as the Investor Education and Protection Fund established under sub section (1) of Section 125 of the Act.</p>
181	Subject to the provisions of the Act, no unpaid dividend shall bear interest as against the Company.
182	Any general meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting decides, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls.
<b>CAPITALISATION</b>	
183	(i) The Company, in general meeting, may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account or in the hands of the Company and available for dividend, or representing premium received on the issue of Shares and standing to the credit of the Share Premium Account, be capitalised and distributed amongst such of the Shareholders as would be entitled to receive the same, if distributed by way of dividend, and in the same proportion on the footing that they become entitled thereto as capital, and that all or any part of such capitalised fund be applied, on behalf of such Shareholders, in paying up in full either at par or at such premium, as the resolution may provide, any unissued Shares or Debentures or Debenture stock of the Company which shall be distributed accordingly on in or towards payment of the uncalled liability on any issued Shares or Debentures, stock and that such distribution or payment shall be accepted by such Shareholders in full satisfaction of their interest in the said capitalised sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied for the paying of any unissued Shares to be issued to members of the Company as, fully paid up, bonus

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	Shares.
	(ii) A general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company, not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.
	(iii) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty, which may arise, in regard to the distribution, as it thinks expedient, and, in particular, may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of value less than Rs.10/- (Rupees Ten Only) may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalised funds, as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act and the Board may appoint any person to sign such contract, on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.
<b>BORROWINGS</b>	
184	Subject to the provisions of the Act, the Board may from time to time, at their discretion raise or borrow or secure the payment of any sum or sums of money for and on behalf of the Company. Any such money may be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and securities of the Company or by other means as the Board deems expedient.
185	The Board of Directors shall not except with the consent of the Company by way of a special resolution, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of paid up capital of the Company and its free reserves.
186	Subject to the Act and the provisions of these Articles, any bonds, debentures, debenture-stock or other 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 the Board shall consider to be for the benefit of the Company.
<b>ACCOUNTS</b>	
187	The Company shall keep at the Office or at such other place in India, as the Board thinks fit and proper, books of account, in accordance with the provisions of the Act with respect to :- (i) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place; (ii) all sales and purchases of goods by the Company; (iii) the assets and liabilities of the Company; (iv) such particulars, if applicable to this Company, relating to utilisation of material and/or labour or to other items of cost, as may be prescribed by the Central Government.  Where the Board decides to keep all or any of the books of account at any place, other than the Office of the Company, the Company shall, within 7 (Seven) days, or such other period, as may be fixed, from time to time, by the Act, of the decision, file with the Registrar, a notice, in writing, giving the full address of that other place. The Company shall preserve, in good order, the books of account, relating to the period of not less than 8 (Eight) years or such other period, as may be prescribed, from time to time, under the Act, preceding the current year, together with the vouchers relevant to any entry in such books.

Articles No.	Particulars
	<p>Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article, if proper books of account, relating to the transaction effected at the branch office, are kept at the branch office, and the proper summarised returns, made up to day at intervals of not more than 3 (Three) months or such other period, as may be prescribed, from time to time, by the Act, are sent by the branch office to the Company at its Office or other place in India, at which the books of account of the Company are kept as aforesaid.</p> <p>The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain the transactions represented by it. The books of account and other books and papers shall be open to inspection by any director, during business hours, on a working day, after a prior notice, in writing, is given to the Accounts or Finance department of the Company.</p>
188	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 the directors, and no member, not being a director, shall have any right of inspecting any account or books or document of the Company, except as conferred by law or authorised by the Board.
189	The Directors shall, from time to time, in accordance with sections 129 and 134 of the Act, cause to be prepared and to be laid before the Company in Annual General Meeting of the Shareholders of the Company, such Balance Sheets, Profit and Loss Accounts, if any, and the Reports as are required by those Sections of the Act.
190	A copy of every such Profit & Loss Accounts and Balance Sheets, including the Directors' Report, the Auditors' Report and every other document(s) required by law to be annexed or attached to the Balance Sheet, shall at least 21 (Twenty-one) days, before the meeting, at which the same are to be laid before the members, be sent to the members of the Company, to every trustee for the holders of any Debentures issued by the Company, whether such member or trustee is or is not entitled to have notices of general meetings of the Company sent to him, and to all persons other than such member or trustees being persons so entitled.
191	The Auditors, whether statutory, branch or internal, shall be appointed and their rights and duties shall be regulated in accordance with the provisions of the Act and the Rules made thereunder.
<b>DOCUMENTS AND NOTICES</b>	
192	<p>(i) A document or notice may be served or given by the Company on any member either personally or by sending it, by post or by such other means such as fax, e-mail, if permitted under the Act, to him at his registered address or, if he has no registered address in India, to the address, if any, in India, supplied by him to the Company for serving documents or notices on him.</p> <p>(ii) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, pre-paying, wherever required, and posting a letter containing the document or notice, provided that where a member has intimated to the Company, in advance, that documents or notices should be sent to him under a certificate of posting or by registered post, with or without the acknowledgement due, and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner and, such service shall be deemed to have been effected, in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted, and in any other case, at the time at which the letter would be delivered in the ordinary course of post.</p>
193	A document or notice, whether in brief or otherwise, advertised, if thought fit by the Board, in a newspaper circulating in the neighbourhood of the Office shall be deemed to be duly served or sent on the day, on which the advertisement appears, on or to every member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notices to him.
194	A document or notice may be served or given by the Company on or to the joint holders of a Share by serving or giving the document or notice on or to the joint holder named first in the Register of Members in respect of the Share.
195	A document or notice may be served or given by the Company on or to the person entitled to a Share, including the person nominated in the manner prescribed hereinabove, in consequence of the death or insolvency of a member by sending it through the post as a prepaid letter

Articles No.	Particulars
	addressed to them by name or by the title or representatives of the deceased, or assigned of the insolvent or by any like description, at the address, if any, in India, supplied for the purpose by the persons claiming to be entitled, or, until such an address has been so supplied, by serving the document or notice, in any manner in which the same might have been given, if the death or insolvency had not occurred.
196	Documents or notices of every general meeting shall be served or given in some manner hereinafter authorised on or to (i) every member, (ii) every person entitled to a Share in consequence of the death or insolvency of member, (iii) the Auditor or Auditors of the Company, and (iv) the directors of the Company.
197	Every person who, by operation of law, transfer or by other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which, previously to his name and address being entered on the Register of Members, shall have duly served on or given to the person from whom he derives his title to such Shares.
198	Any document or notice to be served or given by the Company may be signed by a director or some person duly authorised by the Board for such purpose and the signature thereto may be written, printed or lithographed.
199	All documents or notices to be served or given by members on or to the Company or any Officer thereof shall be served or given by sending it to the Company or Officer at the Office by post, under a certificate of posting or by registered post, or by leaving it at the Office, or by such other means such as fax, e-mail, if permitted under the Act.
<b>WINDING UP</b>	
200	The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016 (to the extent applicable).
<b>INDEMNITY AND RESPONSIBILITY</b>	
201	Subject to the provisions of the Act, every Director, Secretary and the other officers for the time being of the Company acting in relation to any of the affairs of the Company shall be indemnified out of the assets of the Company from and against all suits, proceedings, cost, charges, losses, damage and expenses which they or any of them shall or may incur or sustain by reason of any act done or committed in or about the execution of their duty in their respective office except such suits, proceedings, cost, charges, losses, damage and expenses, if any that they shall incur or sustain, by or through their own wilful neglect or default respectively.
202	The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly or reasonably.
<b>SECRECY</b>	
203	(i) 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 pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with the individuals and in matters relating thereto, and shall, by such declaration, pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by Law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions contained in these Articles or the Memorandum of Association of the Company and the provisions of the Act.  (ii) Subject to the provisions of the Act, no member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors, or to require inspection of any books of accounts or documents of the Company or discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and, which in the opinion of the Directors, it would be inexpedient in the interests of the Company to disclose.
<b>GENERAL POWER</b>	
204	Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the

<b>Articles No.</b>	<b>Particulars</b>
	Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.
	At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the SEBI Listing Regulations, the provisions of the SEBI Listing Regulations shall prevail over the Articles to such extent and the Company shall discharge all its obligations as prescribed under the SEBI Listing Regulations, from time to time.

## 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 Red Herring Prospectus) which are or may be deemed material will be attached to the copy of this Red Herring Prospectus/ Prospectus which will be delivered to the RoC for filing. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days and will also be available at <https://www.dharmajcrop.com/material-contracts-documents/> from date of this Red Herring Prospectus until the Bid/Offer Closing Date.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

#### 1. Material Contracts for the Offer

- i. Offer Agreement dated January 18, 2022 between our Company and the BRLMs.
- ii. Registrar Agreement dated January 18, 2022 between our Company and the Registrar to the Offer.
- iii. Cash Escrow and Sponsor Bank Agreement dated November 21, 2022 between our Company, the Registrar to the Offer, the BRLMs and the Escrow Collection Bank(s), Refund Banker, Sponsor Bank and Public Issue Bank(s).
- iv. Syndicate Agreement dated November 21, 2022 between our Company, BLRMs and the Syndicate Members.
- v. Underwriting Agreement dated [●] between our Company and the Underwriters.
- vi. Share Escrow Agreement dated November 21, 2022 entered into among the Selling Shareholders, our Company, the BRLMs, and the Share Escrow Agent.
- vii. Monitoring Agency Agreement dated November 21, 2022 entered into between our Company and the Monitoring Agency.

#### 2. Material Documents

- i. Certified copies of the updated Memorandum of Association and Articles of Association as amended from time to time.
- ii. Certificate of incorporation dated January 19, 2015, issued by RoC.
- iii. Resolution of the Board of Directors dated November 18, 2021 in relation to the Offer.
- iv. Shareholders' resolution dated November 25, 2021 in relation to the Offer.
- v. Resolution of the Board of Directors and IPO Committee passed in their respective meeting held on January 18, 2022 and January 27, 2022, approving the Draft Red Herring Prospectus.
- vi. Resolution of the Board of Director passed in their respective meeting held on November 21, 2022, approving this Red Herring Prospectus and Employee Reservation Portion.
- vii. The examination reports dated November 10, 2022 of the Statutory Auditors, on our Company's Restated Financial Information.
- viii. The report on Statement of Tax Benefits dated November 1, 2022 from the Statutory Auditor.

- ix. Copies of annual report of our Company for the last three Fiscals.
- x. Copies of the Audited financial statements for the four months period ended July 31, 2022.
- xi. Consent letter of the Selling Shareholders, each dated January 18, 2022, authorizing their participation in the Offer for Sale.
- xii. Consent of the Directors, the BRLMs, the Syndicate Members, Underwriters, Legal Counsel to Offer, Advisor to the Offer, Registrar to the Offer, Escrow Collection Bank(s), Refund Banker, Public Issue Bank(s), Sponsor Bank, Bankers to our Company, Resurgent India Limited, Monitoring Agency, Company Secretary and Compliance Officer and Chief Financial Officer as referred to in their specific capacities.
- xiii. Consent letter dated November 21, 2022 of the Statutory Auditor to include their name as an expert in relation to their examination reports dated November 10, 2022 on the Restated Financial Information and the report on Statement of Tax Benefits dated November 1, 2022 included in this Red Herring Prospectus.
- xiv. Consent and certificate dated September 23, 2022 from Devang Shah, Chartered Engineer, to include his name as an “expert” as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013.
- xv. Consent from CARE Advisory Research & Training Limited, dated January 17, 2022 and addendum dated October, 2022 in relation to the industry report titled “Report on Pesticides Industry”.
- xvi. Due Diligence Certificate dated January 27, 2022 addressed to SEBI from the BRLMs.
- xvii. In principle listing approvals dated March 4, 2022 and March 7, 2022 issued by BSE and NSE respectively.
- xviii. Tripartite agreement dated May 30, 2018 between our Company, NSDL and the Registrar to the Offer.
- xix. Tripartite agreement dated November 27, 2018 between our Company, CDSL and the Registrar to the Offer.
- xx. SEBI observation letter no. SEBI/WRO/OW/P/RB/DG/2022/13267/1 dated March 29, 2022.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, 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 in this Red Herring Prospectus are true and correct.

**SIGNED BY ALL THE DIRECTORS AND CHIEF FINANCIAL OFFICER OF OUR COMPANY**

\_\_\_\_\_  
**(Rameshbhai Ravajibhai Talavia)**  
**(Chairman and Managing Director)**

\_\_\_\_\_  
**(Jamankumar Hansarajbhai Talavia)**  
**(Whole time Director)**

\_\_\_\_\_  
**(Jagdish Ravjibhai Savaliya)**  
**(Whole time Director)**

\_\_\_\_\_  
**(Deepak Bachubhai Kanparia)**  
**(Independent Director)**

\_\_\_\_\_  
**(Bhaveshkumar Jayantibhai Ponkiya)**  
**(Independent Director)**

\_\_\_\_\_  
**(Amisha Fenil Shah)**  
**(Independent Director)**

\_\_\_\_\_  
**(Vishal Domadia)**  
**(Chief Financial Officer)**

**Date:** Ahmedabad

**Place:** November 21, 2022

**DECLARATION BY MANJULABEN RAMESHBHAI TALAVIA, AS A SELLING SHAREHOLDER**

I, Manjulaben Rameshbhai Talavia, acting as a Selling Shareholder, hereby certify and confirm that all statements, disclosures and undertakings made or confirmed by me in this Red Herring Prospectus in relation to myself, as a Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility, as a Selling Shareholder, for any other statements, including statements, disclosures, and undertakings, including any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

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Name: Manjulaben Rameshbhai Talavia

Place: Ahmedabad

Date: November 21, 2022

**DECLARATION BY MUKTABEN JAMANKUMAR TALAVIA, AS A SELLING SHAREHOLDER**

I, Muktaben Jamankumar Talavia, acting as a Selling Shareholder, hereby certify and confirm that all statements, disclosures and undertakings made or confirmed by me in this Red Herring Prospectus in relation to myself, as a Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility, as a Selling Shareholder, for any other statements, including statements, disclosures, and undertakings, including any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

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Name: Muktaben Jamankumar Talavia

Place: Ahmedabad

Date: November 21, 2022

**DECLARATION BY DOMADIA ARTIBEN, AS A SELLING SHAREHOLDER**

I, Domadia Artiben, acting as a Selling Shareholder, hereby certify and confirm that all statements, disclosures and undertakings made or confirmed by me in this Red Herring Prospectus in relation to myself, as a Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility, as a Selling Shareholder, for any other statements, including statements, disclosures, and undertakings, including any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

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Name: Domadia Artiben

Place: Ahmedabad

Date: November 21, 2022

**DECLARATION BY ILABEN JAGDISHBHAI SAVALIYA, AS A SELLING SHAREHOLDER**

I, Ilaben Jagdishbhai Savaliya, acting as a Selling Shareholder, hereby certify and confirm that all statements, disclosures and undertakings made or confirmed by me in this Red Herring Prospectus in relation to myself, as a Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility, as a Selling Shareholder, for any other statements, including statements, disclosures, and undertakings, including any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

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Name: Ilaben Jagdishbhai Savaliya

Place: Ahmedabad

Date: November 21, 2022