



**DRAFT RED HERRING PROSPECTUS**

Dated: 02.02.2024

**100% Book Building Issue**


Please read Section 26 and 32 of Companies Act, 2013

(This Draft Red herring Prospectus will be updated upon filing with RoC)




**AMBEY LABORATORIES LIMITED**

CIN: U74899DL1985PLC020490

REGISTERED OFFICE		CORPORATE OFFICE		CONTACT PERSON	
Ground Floor, Property No.555 Tarla Mohalla, Ghitorni , South West Delhi, New Delhi, Delhi, India -110030		B18/9, DLF Phase -1, Sector 26A, Gurugram - 122002, Haryana, India - 122002		Ms. Rimple Sarin Company Secretary and Compliance Officer	
EMAIL		TELEPHONE		WEBSITE	
<a href="mailto:cs@ambeylab.com">cs@ambeylab.com</a>		0124-4000788		<a href="http://ambeylab.com">ambeylab.com</a>	
OUR PROMOTERS					
ARCHIT GUPTA, ARPIT GUPTA, SARINA GUPTA AND RISHITA GUPTA					
DETAILS OF OFFER TO PUBLIC					
TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND RESERVATION among NII & RII	
Fresh Issue	Up to 62,40,000 Equity Shares aggregating up to ₹ [●] Lakhs	3,12,000 Equity Shares aggregating up to ₹ [●] Lakhs	Up to ₹ [●] Lakhs	The Issue is being made pursuant to Regulation 229(2) and 253(1) of Chapter IX SEBI (ICDR) Regulations 2018. For details of Share reservation among QIBs, NIIs and RIIs, see "Issue Structure" beginning on page 328.	
DETAILS OF OFFER FOR SALE					
NAME OF SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED/AMOUNT	WEIGHTED AVERAGE COST OF ACQUISITION (IN ₹ PER EQUITY SHARE)		
Sarina Gupta	Promoter	3,12,2000	Nil		
RISK IN RELATION TO THE FIRST OFFER:					
This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is [●] times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Lead Manager as stated in "Basis for Issue Price" on page 101 of this prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.					
GENERAL RISK					
Investments in Equity and Equity related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Draft Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 30 of this Draft Prospectus.					
ISSUER'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY					
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Issue which is material in the context of this Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.					
LISTING					
The Equity Shares of our Company offered through this Draft Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an approval letter dated [●] from National Stock Exchange of India Limited for using its name in the Prospectus for listing of our shares on the Emerge Platform of National Stock Exchange of India Limited. For the purpose of this Issue, National Stock Exchange of India Limited shall be the Designated Stock Exchange.					
LEAD MANAGER TO THE ISSUE					
NAME & ADDRESS		CONTACT PERSON		EMAIL & TELEPHONE AND WEBSITE	
 <b>Fastrack Finsec</b> <small>Category I Merchant Banker</small> <b>FAST TRACK FINSEC PRIVATE LIMITED</b> <b>Registered Office:</b> Office No. V-116, 1st Floor, New Delhi House, 27, Barakhamba Road, New Delhi - 110001 <b>SEBI registration number:</b> INM000012500 <b>CIN:</b> U65191DL2010PTC200381		<b>Mr. Vikas Kumar Verma</b>		<b>Email:</b> <a href="mailto:vikasverma@ftfinsec.com">vikasverma@ftfinsec.com</a> ; <a href="mailto:investor@ftfinsec.com">investor@ftfinsec.com</a> <b>Telephone:</b> +91 011 43029809 <b>Website:</b> <a href="http://www.ftfinsec.com">www.ftfinsec.com</a>	

**REGISTRAR TO THE ISSUE**

<b>NAME &amp; ADDRESS</b>	<b>CONTACT PERSON</b>	<b>EMAIL AND TELEPHONE</b>
 <b>LINK INTIME PRIVATE LIMITED</b>	Ms. Shanti Gopalkrishnan	Email: - <a href="mailto:ambeylab.ipo@Linkintime.co.in">ambeylab.ipo@Linkintime.co.in</a> Tel No: +91 8108114949 website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>
<b>BID/ISSUE PERIOD</b>		
<b>ANCHOR PORTION OPENS / CLOSES ON*:</b>		●
<b>BID/ISSUE OPENS ON**</b>		●
<b>BID/ISSUE CLOSE ON**</b>		●

*\*Our Company in consultation with the Book Running Lead Manager 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/Issue Opening Date.*

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

***THIS PAGE HAS BEEN LEFT BLANK PURSUANT TO SCHEDULE VI OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.***



## AMBEY LABORATORIES LIMITED

Our Company was originally incorporated as “Ambey Laboratories Private Limited” on March 20, 1985, as a Private Limited Company under the provisions of the Companies Act, 1956 bearing Corporate Identification Number U74899DL1985PTC020490 pursuant to Certificate of Incorporation issued by Registrar of Companies, Delhi. Subsequently, Our Company was converted into a Public Limited Company in pursuance of a special resolution passed by the members of our Company at the Extra Ordinary General Meeting held on November 15th 2014. and name of our Company was changed to “Ambey Laboratories Limited” and a fresh Certificate of Incorporation dated December 30, 2014, was issued by Registrar of Companies, Delhi. As on date of this Draft Prospectus, the Corporate Identification Number of our Company is U74899DL1985PLC020490. For further details of incorporation change of name and registered office of our Company, please refer to chapter titled “General Information” and “Our History and Certain Other Corporate Matters” beginning on page 168 of this Draft Prospectus.

**Registered office:** Ground Floor, Property No.555 Tarla Mohalla, Ghitorni , South West Delhi, New Delhi, Delhi, India -110030

**Tel:** 0124-4000788 ; **E-mail:** [cs@ambeylab.com](mailto:cs@ambeylab.com); **Website:** [ambeylab.com](http://ambeylab.com)

**Contact Person:** Ms. Rimple Sarin, Company Secretary and Compliance Officer

### PROMOTER OF THE COMPANY: ARCHIT GUPTA, ARPIT GUPTA, SARINA GUPTA AND RISHITA GUPTA

INITIAL PUBLIC OFFERING OF UP TO 65,52,000 EQUITY SHARES OF RS. 10/- EACH (“EQUITY SHARES”) OF AMBEY LABORATORIES LIMITED (“AMBEY” OR THE “COMPANY”) FOR CASH AT A PRICE OF RS. [•]/- PER EQUITY SHARE (THE “ISSUE PRICE”), AGGREGATING TO RS. [•] LAKHS (“THE OFFER”), COMPRISING A FRESH ISSUE OF UP TO 62,40,000 EQUITY SHARES AGGREGATING TO RS. [•] LAKHS BY OUR COMPANY (“FRESH ISSUE”) AND AN OFFER FOR SALE OF UP TO 3,12,000 EQUITY SHARES BY (“THE PROMOTER GROUP SELLING SHAREHOLDERS” OR “THE SELLING SHAREHOLDER”) AGGREGATING TO RS. [•] LAKHS (“OFFER FOR SALE”). OUT OF THE OFFER, 3,12,000 EQUITY SHARES AGGREGATING TO RS. [•] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”). THE OFFER LESS THE MARKET MAKER RESERVATION PORTION I.E. OFFER OF 62,40,000 EQUITY SHARES OF FACE VALUE OF RS. 10.00/- EACH AT AN ISSUE PRICE OF RS. [•]/- PER EQUITY SHARE AGGREGATING TO RS. [•] LAKHS IS HEREINAFTER REFERRED TO AS THE “NET OFFER”. THE OFFER AND THE NET OFFER WILL CONSTITUTE [•] % AND [•] %, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH AND THE ISSUE PRICE OF RS. [•] IS [•] ([•]) TIMES OF THE FACE VALUE OF THE EQUITY SHARES.

IN TERMS OF RULE 19(2)(B)(I) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED (THE “SCRR”), THIS ISSUE IS BEING MADE FOR AT LEAST 25% OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY. THIS ISSUE IS BEING MADE THROUGH FIXED PRICE PROCESS IN ACCORDANCE AND IN COMPLIANCE WITH CHAPTER IX AND OTHER APPLICABLE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED FROM TIME TO TIME (“SEBI ICDR REGULATIONS, 2018”), WHEREIN A MINIMUM 50% OF THE NET ISSUE IS ALLOCATED FOR RETAIL INDIVIDUAL APPLICANTS AND THE BALANCE SHALL BE OFFERED TO INDIVIDUAL APPLICANTS OTHER THAN RETAIL INDIVIDUAL APPLICANTS AND OTHER INVESTORS INCLUDING CORPORATE BODIES OR INSTITUTIONS, QIBS AND NON-INSTITUTIONAL APPLICANTS. HOWEVER, IF THE AGGREGATE DEMAND FROM THE RETAIL INDIVIDUAL APPLICANTS IS LESS THAN 50%, THEN THE BALANCE EQUITY SHARES IN THAT PORTION WILL BE ADDED TO THE NON-RETAIL PORTION OFFERED TO THE REMAINING INVESTORS INCLUDING QIBS AND NIS AND VICE-VERSA SUBJECT TO VALID APPLICATIONS BEING RECEIVED FROM THEM AT OR ABOVE THE ISSUE PRICE. ADDITIONALLY, IF THE RETAIL INDIVIDUAL APPLICANTS’ CATEGORY IS ENTITLED TO MORE THAN FIFTY PER CENT ON PROPORTIONATE BASIS, THE RETAIL INDIVIDUAL APPLICANTS SHALL BE ALLOCATED THAT HIGHER PERCENTAGE. For further details please refer the section titled ‘Issue Information’ beginning on page 284.

All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility process including through UPI mode (as applicable) for making payment providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) as per the SEBI circular CIR/CFD/POLICYCELL/11/2015. For further details, please refer to section titled “Issue Procedure” beginning on page 294 of this Draft Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15 % per annum for the period of delay.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10/- each and the Issue Price is [•] times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Lead Manager as stated in “Basis for Issue Price” on page 101) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS



Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page 30 of this Draft Prospectus.

### ISSUER’S ABSOLUTE RESPONSIBILITY

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

### LISTING

The Equity Shares offered through the Draft Prospectus are proposed to be listed on the EMERGE Platform of NSE ("NSE EMERGE"). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received In-Principle Approval letter dated [●] from NSE for using its name in this offer document for listing of our shares on the SME platform of NSE. For the purpose of this Issue, the designated Stock Exchange will be the NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE").

LEAD MANAGER		
NAME & ADDRESS	CONTACT PERSON	EMAIL & TELEPHONE AND WEBSITE
 <p><b>FAST TRACK FINSEC PRIVATE LIMITED</b>  <b>Registered Office:</b> Office No. V-116, 1st Floor,  New Delhi House, 27, Barakhamba Road, New  Delhi - 110001  <b>SEBI registration number:</b> INM000012500  <b>CIN:</b> U65191DL2010PTC200381</p>	<p><b>Mr. Vikas Kumar Verma</b></p>	<p><b>Email:</b> <a href="mailto:vikasverma@ftfinsec.com">vikasverma@ftfinsec.com</a>;  <a href="mailto:investor@ftfinsec.com">investor@ftfinsec.com</a>  <b>Telephone:</b> +91 011 43029809  <b>Website:</b> <a href="http://www.ftfinsec.com">www.ftfinsec.com</a></p>
REGISTRAR TO THE ISSUE		
NAME & ADDRESS	CONTACT PERSON	EMAIL AND TELEPHONE
 <p><b>LINK INTIME PRIVATE LIMITED</b></p>	<p>Ms. Shanti Gopalkrishnan</p>	<p><b>Email:</b> <a href="mailto:ambeylab ipo@Linkintime.co.in">ambeylab.ipo@Linkintime.co.in</a>  <b>Tel No:</b> +91 8108114949  <b>website:</b> <a href="http://www.linkintime.co.in">www.linkintime.co.in</a></p>
BID/ISSUE PERIOD		
<b>ANCHOR PORTION OPENS / CLOSES ON*:</b>		●
<b>BID/ISSUE OPENS ON**</b>		●
<b>BID/ISSUE CLOSE ON**</b>		●

\*Our Company in consultation with the Book Running Lead Manager 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/Issue Opening Date.

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

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

This Draft 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, and references to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rule guidelines or policy as amended from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

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

#### General Terms

TERMS	DESCRIPTIONS
“AMBEY LABORATORIES LIMITED”, “AMBEY”, “The Company”, “Our Company”, “We”, “Us”, “Our”, “Issuer Company” or “Issuer”	Unless the context otherwise indicates or implies “ <b>AMBEY LABORATORIES LIMITED</b> ”, a Public Limited Company incorporated on 20 March, 1985 under the provision of Companies Act, 1956.
Our Promoters or Promoters of the Company	The promoters of our company being “Archit Gupta”, “Arpit Gupta”, “Sarina Gupta” and “Rishita Gupta”.
Promoter Group	Includes such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 and as disclosed under Section titled “Our Promoters and Promoter Group”.

#### Company related terms

TERMS	DESCRIPTIONS
“Articles” or “Articles of Association” or “AOA”	The Articles of Association of our Company, as amended from time to time.
Associate Companies	A body corporate in which any other company has a significant influence, but which is not a subsidiary of the company having such influence and includes a joint venture company.
Auditor/Statutory Auditor/ Peer Review Auditor	Independent Auditor having a valid Peer Review certificate in our case being M/s Kapish Jain & Associates having firm registration number 022743N and having its office at B 504, Statement House, 148, Barakhamba Road, New Delhi -110001
Audit Committee	Audit Committee of our Company constituted in accordance with Companies Act, 2013 as disclosed in the Section title “ <b>Our Management</b> ” on page no. 172 of this draft prospectus.
“Board of Director(s)” or “the/our Board”	Unless otherwise specified, The Board of Directors of our Company, as duly constituted from time to time, including any committee(s) thereof.
“CFO” or Chief Financial Officer	The Chief Financial Officer of our company being “ <b>Mr. Sarvar Alam</b> ”.

CIN	Corporate Identification Number being U74899DL1985PLC020490 of our Company.
Companies Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary & Compliance Officer	The Company Secretary & Compliance Officer of our company being “ <i>Ms. Rimple Sarin</i> ”.
Corporate Office	B18/9, DLF Phase -1 Sector 26A, Gurugram-122002, Gurugram, Haryana, India – 122002
DIN	Directors Identification Number
Director/Director(s)	The directors of our Company, unless otherwise specified
ED	Executive Director
Equity Shares	The Equity Shares of our Company of face value of Rs.10/- each, fully paid-up, unless otherwise specified in the context thereof.
Equity Shareholders	Persons/Entities holding Equity Shares of our Company.
Export	Export means taking goods out of India to a place outside India
Group Companies/Entities	In terms of SEBI (ICDR) Regulations, the term “group companies” includes companies (other than our Promoter) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and any other companies as considered material by our Board, in accordance with the Materiality Policy, as described in “ <b>Our Group Entities</b> ” on page 192.
HUF	Hindu Undivided Family.
IBC	The Insolvency and Bankruptcy Code, 2016
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standard
Ind GAAP	Generally Accepted Accounting Principles in India.
Import	Import means bringing goods into India from a place outside India
Independent Director	Independent director(s) on our Board and eligible to be appointed as independent directors under the provisions of the Companies Act and the SEBI (LODR) Regulations. For details of the Independent Directors, see “Our Management” on page 172.
IT Act	The Income Tax Act, 1961 as amended till date
JV / Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
ISIN	International Securities Identification Number In this case being “INE0M3I01029”
KMP / Key Managerial Personnel	Key Managerial Personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI (ICDR) Regulations 2018, Section 2(51) of



	the Companies Act, 2013 and as disclosed in the chapter titled “Our Management” beginning on page no. 172 of this draft prospectus.
MD	Managing Director
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on 6 November, 2023 in accordance with the requirements of the SEBI (ICDR) Regulations.
Memorandum/Memorandum of Association/ MOA	The Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	Nomination and Remuneration committee of our Company constituted in accordance with the Companies Act, 2013 as disclosed in the Section titled “Our Management” on page no. 172 of this draft prospectus.
Non-Residents	A person resident outside India, as defined under FEMA Regulations, 2000
Promoters	Shall mean promoters of our Company as mentioned in this draft prospectus.
Promoter Group	Includes such Persons and entities constituting our promoter group covered under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations as enlisted in the section titled “Our Promoter Group” beginning on page no. 190 of this draft prospectus.
Registered Office	Registered Office of the Company is presently situated at Ground Floor, Property No.555 Tarla Mohalla, Ghitorni New Delhi – 110030.
Restated Financial Statement	The restated financial statement of our Company as of and for the Stub period ended October 31, 2023 and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 and the related notes, schedules and annexures thereto, prepared in accordance with applicable provisions of the Companies Act, 2013 and restated in accordance with the SEBI (ICDR) Regulations and included in “Restated Financial Information” on page 197.
ROC/Registrar of Companies	The Registrar of Companies, Delhi
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
Shareholders	Shareholders of our Company
Subsidiary	Means a company defined under section 2(87) the Companies Act, 2013.
Subscriber to MOA	Initial Subscriber to MOA
WTD	Whole Time Director

Stakeholders Relationship Committee	Stakeholder’s relationship committee of our Company constituted in accordance with the Companies Act, 2013 as disclosed in the Section titled “Our Management” on page no. 172 of this draft prospectus.
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### Issue Related Terms

<b>TERMS</b>	<b>DESCRIPTIONS</b>
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form.
Allot/Allotment/Allotted of Equity Shares	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of the Equity Shares to the successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee(s)	A successful Applicant (s) to whom the Equity Shares are being/have been issued/allotted.
Applicant/Investor	Any prospective investor who makes an application pursuant to the terms of the draft prospectus and the Application Form.
Application	An indication to make an offer during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations.
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Application Form	The form in terms of which an Applicant shall make an Application and which shall be considered as the application for the Allotment pursuant to the terms of this draft prospectus.
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid authorizing a SCSB to block the Bid Amount in the ASBA Account including the bank account linked with UPI ID. Pursuant to SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount(ASBA) process or UPI payment mechanism by providing UPI ID in the Application Form which is linked from Bank Account of the investor.

ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a Retail Individual Investor which is blocked upon acceptance of a UPI Mandate Request made by the Retail Individual Investors using the UPI Mechanism.
ASBA Applicant(s)	Any prospective investors in this Issue who apply for Equity Shares of our Company through the ASBA process in terms of this draft prospectus.
ASBA Forms	An application form (with or without the use of UPI, as may be applicable), whether physical or electronic, used by ASBA Applicants, which will be considered as the application for Allotment in terms of the draft prospectus.
ASBA Application Location(s) / Specified Cities	Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on <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.
Banker to the Issue	Bank which are clearing members and registered with SEBI as banker to an issue and with whom the Public Issue Account will be opened, in this case being “ICICI Bank Limited”.
Banker to the Issue Agreement	Agreement dated [●] entered into amongst the Company, Lead Manager, the Registrar and the Banker to the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, as described in the Section titled, “Issue Procedure - Basis of Allotment” beginning on page no. 294 of this draft prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of the Stock Exchange as updated from time to time.
Broker to the Issue	All recognized members of the stock exchange would be eligible to act as the Broker to the Issue.
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays).
NSE	National Stock Exchange of India Limited
NSE Emerge	The SME Platform of NSE, as per the Rules and Regulations laid down by SEBI for listing of Equity Shares.
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collection Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms.

Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
Controlling Branches of SCSBs	Such branches of the SCSBs which co-ordinate Applications under this Issue made by the Applicants with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depository/Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, being NSDL and CDSL.
Depositories Act	Depositories Act, 1996, as amended from time to time
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1966.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Date	The date on which the funds are transferred by the Escrow Collection Bank from the Escrow Account(s) or the instructions are given to the SCSBs to unblock the ASBA Accounts including the accounts linked with UPI ID and transfer the amounts blocked by SCSBs as the case may be, to the Public Issue Account, as appropriate in terms of the draft prospectus and the aforesaid transfer and instructions shall be issued only after finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange.
Designated Intermediaries/Collecting Agent	An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e., <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Stock Exchange	National Stock Exchange of India Limited.
Draft Prospectus	The Draft Prospectus dated February 02, 2024 issued in accordance with Section 26 & 32 of the Companies Act, 2013 filed with National Stock Exchange of India Limited under SEBI (ICDR) Regulations.
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
DP ID	Depository Participant's Identity number.

Eligible NRI(s)	NRI(s) from such jurisdiction outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom this draft prospectus constitutes an invitation to subscribe for the Equity Shares Issued herein on the basis of the terms thereof.
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the draft prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Equity Shares	Equity Shares of our Company of face value ₹10/- each.
FII/Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
General Information Document / GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) on October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 , circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, and SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI circulars, as amended from time to time issued by SEBI.
GIR Number	General Index Registry Number.
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority.
Issue/Public Issue/Issue Size Initial Public Issue/IPO	Public issue of 65,52,000 Equity Shares of face value of ₹10/- each of our Company for cash at a price of ₹ [●]/- per Equity Share at par aggregating to ₹ [●] by our Company, in terms of this draft prospectus.

“Offered Shares”	The number of Equity Shares being offered by Selling Shareholder as part of the Offer for Sale comprising of an aggregate of up to 3,12,000 Equity Shares.
Issue Agreement	The Issue Agreement [●] between our Company and Lead Manager.
Issue Closing Date	The date on which Issue Closes for Subscription.
Issue Opening Date	The date on which Issue Opens for Subscription.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which prospective Investors may submit their application.
Issue Price	The price at which Equity Shares are being issued by our Company being ₹ [●]- per Share.
Issue Proceeds	The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please refer to Section titled “Objects of the Issue” beginning on page no. 92 of this draft prospectus.
KPI	Key Performance Indicators
Lead Manager/LM	means a merchant banker registered with the Board and appointed by the issuer to manage the issue and in case of a book-built issue, the lead manager(s) appointed by the issuer shall act as the book running lead manager(s) for the purposes of book building. Lead Manager to the Issue, in this case being “Fast Track Finsec Private Limited”.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited.
Market Maker	Member Brokers of NSE who are specifically registered as Market Makers with the NSE. In our case, “Nikunj Stock Brokers Limited” is the Market Maker to the Issue.
Market Making Agreement	The Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker.
Market Maker Reservation Portion	Up to 3,12,000 Equity Shares of ₹10/- each fully paid-up of our Company for cash at a price of ₹ [●]/- per Equity Share aggregating to INR [●]- Lakhs only.
Mutual Fund(s)	Mutual fund (s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of up to 62,40,000 Equity Shares of face value ₹10/- each for cash at an Issue price of ₹ [●] per Equity Share (the “Issue Price”), aggregating up to ₹ [●] lakhs Only.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company.
NPCI	National Payments Corporation of India (NPCI), a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India and Indian Banks Association (IBA).

Non-Institutional Investors or NIIs	All Applicants, including sub-accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for an amount of more than ₹ 2.00 Lakh (but not including NRIs other than Eligible NRIs).
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body / OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue.
Other Investors	Investors other than Retail Individual Investors. These include individual Applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust, or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The prospectus dated [●] filed with the ROC in accordance with the provisions of Section 26 & 32 of the Companies Act, 2013 and SEBI ICDR Regulations.
Public Issue Account	The Bank Account opened with the Banker(s) to this Issue under Section 40 of the Companies Act, 2013 to receive monies from the SCsBs from the bank accounts of the ASBA Accounts on the Designated Date.
Qualified Foreign Investors/QFIs	A qualified foreign investor as defined in SEBI FPI Regulations
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations.
Registered Brokers	Stockbrokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
Registrar to the Issue/RTI	Registrar to the Issue in our case being “Link Intime India Private Limited”.
Registrar Agreement	The agreement dated [●] entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar pertaining to the Issue.
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
Reserved Category (ies)	Categories of persons eligible for making application under reservation portion.

Retail Individual Investors/RIIs	Applicants or minors applying through their natural guardians, (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to ₹ 2.00 Lakh in this Issue.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable.
Self-Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, Issuing Services in relation to ASBA, a list of which is available on the website of SEBI at <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
Specified Locations	Collection Centers where the SCSBs shall accept application forms, a list of which is available on the website of the SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time.
Sponsor Bank	ICICI Bank Limited, registered with SEBI which is appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the retail investors using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars
SEBI (ICDR) Regulations /ICDR Regulation / Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI Insider Trading regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ Listing Regulations/ SEBI (LODR)	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2020 and as amended thereto, including instructions and clarifications issued by SEBI from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
Transaction Registration Slip /TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the applicants, as proof of registration of the Application.
UPI	Unified Payments Interface (UPI) is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank A/C.
UPI Pin	Password to authenticate UPI transaction
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated



	<p>April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/OW/P/2021/2481/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and any subsequent circulars or notifications issued by SEBI in this regard</p>
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the Retail Individual Investor to such UPI linked mobile application) to the Individual Investor initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The Bidding mechanism that may be used by Retail Individual Investors to make Bids in the Offer in accordance with circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, circular no. (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2) dated March 30, 2020, circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 05, 2022 and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time
UPI Pin	Password to authentic UPI Transaction
Underwriters	Underwriter to this issue being “Fast Track Finsec Private Limited”
Underwriting Agreement	The Underwriting Agreement dated [●] entered into between our Company and the Underwriters.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Working Days	means all days on which commercial banks in Mumbai are open for business. However, till issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. The time period between the bid/issue closing date and the listing of the specified securities on the stock exchanges, working day shall mean all trading days of the stock exchanges, excluding Sundays and bank holidays, as per circulars issued by the Board, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and in terms of regulation 2(1)(mmm) of SEBI ICDR Regulations 2018.

## Conventional and General Terms

TERMS	DESCRIPTIONS
ACIT	Assistant Commissioner of Income Tax.
AIF(s)	The alternative investment funds, as defined in, and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
Air Act, 1981	Air (Prevention and Control of Pollution) Act, 1981.
Category I Foreign Portfolio Investor(s)	FPIs who are registered as “Category I foreign portfolio investor” under the SEBI FPI Regulations.
Category II Foreign Portfolio Investor(s)	FPIs who are registered as “Category II foreign portfolio investor” under the SEBI FPI Regulations.
Category III Foreign Portfolio Investor(s)	FPIs who are registered as “Category III foreign portfolio investor” under the SEBI FPI Regulations.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made there under.
Companies Act/Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made there under.
Competition Act	The Competition Act, 2002.
FCNR Account	Foreign currency non-resident account.
FCRA	Foreign Contribution (Regulation) Act, 2010
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there under
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2017 and as amended from time to time.
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations.
Financial Year/ Fiscal/Fiscal Year/F.Y.	Period of twelve (12) months ended March 31 of that particular year, unless otherwise stated.
Foreign Portfolio Investor or FPI	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
Fugitive economic offender	“Fugitive economic offender” shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
FVCI	Foreign Venture Capital Investor, registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
Government/ GOI	The Government of India
Income Tax Act or the I.T. Act	The Income Tax Act, 1961.
Ind AS	New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016, as amended.
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended
LLP Act	The Limited Liability Partnership Act, 2008.
Notified Sections	The sections of the Companies Act, 2013, that have been notified by the Government as having come into effect prior to the date of this draft prospectus.
NRE Account	Non-resident external account.
NRI/Non-Resident	A non-resident Indian as defined under the FEMA Regulations

Indian	
NRO Account	Non-resident ordinary account.
RBI Act	Reserve Bank of India Act, 1934.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
SEBI (LODR) Regulations/SEBI Listing Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.
Securities Act	U.S. Securities Act of 1933, as amended.
State Government	The government of a state of the Union of India.
STT	Securities Transaction Tax.
Sub-account	Sub-accounts registered with SEBI under the SEBI FII Regulations other than sub-accounts which are foreign corporate or foreign individuals.
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI VCF Regulations.

#### Technical and Industry related terms

TERMS	DESCRIPTIONS
ASSOCHAM	Associated Chambers of Commerce of India
CAGR	Compounding Annual Growth Rate
CPI	Consumer Price Index
CSO	Central Statistics Office's
DIPP	Department of Industries Policy and Promotion
EPFO	Employees' Provident Fund Organization
ESI	Employee State Insurance
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FDI Policy 2017/FDI Policy	The Consolidated FDI Policy, effective from August 28, 2017, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time
FY	Financial Year
GDP	Gross Domestic Product
GM	Grams
GST	Goods and Service Tax
GVA	Gross Value Added
G-sec	Government Securities

IBEF	Indian Brand Equity Foundation
IMF	International Monetary Fund
INR	Indian Rupee Rates
KYC	Know Your Customer
LPH	Litres per hour
MIN	Minimum
MNC	Multinational Corporation
MOU	Memorandum of Understanding
MSMEs	Micro, Small and Medium Enterprises
MVC	Model View Controller
MYEA	Mid-Year Economic Analysis
NITI Aayog	National Institution for transforming India
PMA	Preferential Market Access
PSUs	Private Sector Units
RBI	Reserve Bank of India
SEZ	Special Economic Zone
SL	Soluble Liquid
US	United States
WPI	Wholesale Price Index

### Abbreviations

TERMS	DESCRIPTIONS
₹ or Rupees or INR	Indian Rupees.
AGM	Annual General Meeting.
AMC	Annual Maintenance Contract
ASBA	Application Supported by Blocked Amount
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India.
A.Y.	Assessment year.
BC	Before Christ.
BPLR	Bank Prime Lending Rate.
BV/NAV	Book value / Net Asset Value
CARO	Companies (Auditor's Report) Order, 2003.
CDSL	Central Depository Services (India) Limited.
CEO	Chief Executive Officer.
CIN	Corporate Identity Number.
CLB	Company Law Board.
CrPC	Criminal Procedure Code, 1973, as amended.
CSR	Corporate Social Responsibility.
DIN	Director Identification Number.
DP ID	Depository participant's identification.
ECS	Electronic Clearing System.
EBITDA	Earnings before Interest, Tax Depreciation and Amortisation.
EGM	Extraordinary General Meeting of the Shareholders of the Company.
EPS	Earnings Per Share.
ESOS	Employee Stock Option Scheme.
FDI	Foreign direct investment.
FIPB	Foreign Investment Promotion Board.
GAAR	General anti avoidance rules.
GIR	General index register.
GoI/Government	Government of India.
GST	Goods & Service Tax
HNI	High Net Worth Individual.

HUF	Hindu Undivided Family.
ICAI	Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
Indian GAAP	Generally Accepted Accounting Principles in India.
ISO	International Organization for Standardization.
IT Act	The Income Tax Act, 1961, as amended.
IT Rules	The Income Tax Rules, 1962, as amended.
JV	Joint Venture.
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India.
Mn, mn	Million
MoU	Memorandum of Understanding.
N.A.	Not Applicable.
NAV / Net Asset Value	Net asset value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of profit and loss account, divided by number of issued Equity Shares.
NBFC	Non-banking Financial Company
NCR	National Capital Region
NECS	National Electronic Clearing Services.
NEFT	National Electronic Fund Transfer.
NoC	No Objection Certificate.
No.	Number.
NR	Non-Resident.
NSE	National Stock Exchange of India Limited
NSDL	National Securities Depository Limited.
NTA	Net Tangible Assets.
p.a.	Per annum.
PAN	Permanent Account Number.
PAT	Profit After Tax.
PBT	Profit Before Tax.
P/E Ratio	Price per Earnings Ratio.
Pvt.	Private.
RBI	Reserve Bank of India.
SQM	square meter
Regulation S	Regulation S under the Securities Act
RoC	Registrar of Companies.
RONW	Return on Net Worth.
RTGS	Real Time Gross Settlement.
Rule 144A	Rule 144A under the Securities Act
SCN	Show Cause Notice.
SCSB	Self-Certified Syndicate Bank.
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
UIN	Unique Identification Number.
US	United States.
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America.
VAT	Value Added Tax.
w.e.f.	With effect from
YoY	Year on Year.

Wilful Defaulter or a Fraudulent Borrower	Wilful defaulter or a fraudulent borrower means a person or an issuer who or which is categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the Reserve Bank of India
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## CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY & MARKET DATA, AND CURRENCY PRESENTATION

### Certain Conventions

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

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

In this draft prospectus, the terms “Ambey Laboratories Limited”, “Ambey”, “The Company”, “Our Company”, “We”, “Us”, “Our”, “Issuer Company” or “Issuer” unless the context otherwise indicates or implies, refers to “Ambey Laboratories Limited”.

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

### Financial Data

Unless stated otherwise, the financial information in this draft prospectus are extracted from the restated Financial Statements of our Company as of October 31, 2023 and for the financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with Indian GAAP and restated in accordance with the SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled “Financial Statements as Restated” beginning on page no. 197 of this draft prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12 months period ended 31<sup>st</sup> March of that year. In this draft prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

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

Unless otherwise indicated, any percentage amounts, as set forth in this draft prospectus, including in the Sections titled “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page no. 30, 130 and 255 respectively, have been calculated on the basis of the restated audited financial statements of our Company included in this draft prospectus.

## **Currency and Units of Presentation**

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

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

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

## **Industry and Market Data**

Unless stated otherwise, industry and market data used throughout this Draft Prospectus has been obtained or derived from internal Company reports and industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although, our Company believes that industry data used in this Draft Prospectus is reliable, it has not been independently verified either by the Company or the Lead Manager or any of their respective affiliates or advisors.

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

## **Exchange Rates**

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

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## FORWARD-LOOKING STATEMENTS

This draft Prospectus contains certain statements which are not statements of historical facts and may be described as “forward-looking statements”. The Company has included statements in this draft prospectus which contain words or phrases such as “may”, “will”, “aim”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “potential” and similar expressions or variations of such expressions, that are or may be deemed to be forward looking statements.

All statements regarding the expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to the business strategy, the revenue, profitability, planned initiatives. These forward-looking statements and any other projections contained in this draft prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the Section titled “*Risk Factors*”; “*Industry Overview*”; “*Our Business*”; and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”; beginning on page no. 30, 114, 130 and 255, respectively, of this draft prospectus.

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

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

- Any variation in schemes launched by Government of India to boost the steel industry would have an adverse impact on our results of operations and financial condition and cash flows;
- Our ability to compete effectively.
- Inability to identify and understand evolving industry trends, technological advancements, customer preferences and develop new products to meet our customers’ demands could render our existing products
- obsolete technology may adversely affect our business;
- our inability to achieve desired results from the objects for which funds are raised
- negative cash flows in the future.
- failure to grow or expand within our industry.
- our ability to manage our working capital cycles and generate sufficient cash flow to satisfy any additional working capital requirements;
- our inability to maintain quality standards in our services;
- our inability to successfully implement strategy, growth and expansion plans;
- our ability to attract and retain qualified personnel;
- any adverse outcome in the legal proceedings in which we and our promoters are involved;
- conflict of Interest with affiliated companies, the promoter group & holding Company and other related parties;
- impact of recurrent outbreak of Covid 19 pandemic or any future pandemic;

- market fluctuations and industry dynamics beyond our control;
- Changes in the value of the Rupee and other currencies;
- The occurrence of natural disasters or calamities; and

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

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## SECTION II - SUMMARY OF OFFER DOCUMENTS

This section is a general summary of certain disclosures included in this Draft Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Prospectus, including the sections titled ‘Risk Factors’, ‘The Issue’, ‘Capital Structure’, ‘Objects of the Issue’, ‘Industry Overview’, ‘Our Business’, ‘Restated Financial Information’, ‘Outstanding Litigation and Material Developments’, ‘Issue Procedure’ and ‘Main Provisions of the Articles of Association’ beginning on at pages 30, 45, 67, 92, 114, 130, 197, 266, 296 and 335 respectively, of this Draft Prospectus.

### SUMMARY OF OUR BUSINESS OVERVIEW

Ambey Laboratories Limited was founded by Mr. Anil Kumar Gupta along with Mr. Kewal Sehgal as a private limited company under the name and style of Ambey Laboratories Private Limited on 20<sup>th</sup> March, 1985 registered under Companies Act, 1956 with a motive of carrying business activities in the chemical industry and a focus on crop protection to support the agricultural activities in our country.

Besides this, Ambey carries on the activities in the field of manufacturing chemicals, compounds, herbal products, insecticides, pesticides and fungicides.

Our operations are spread across India and abroad with manufacturing facility in Rajasthan- India, spanning for over 20183.50 SQM of land.

We have continuously demonstrated strong growth throughout the years in a number of business areas and global expansions. Our ultimate goal is to further establish our standing as a dependable and trustworthy global and Indian partner.

Our company is jointly promoted by Mr. Archit Gupta, Mr. Arpit Gupta, Ms. Sarina Gupta and Ms. Rishita Gupta, who successfully carry on the legacy of the core values of Ambey.

The primary motivation for Ambey lies in the collective realization that the consumer-interaction processes and outsourcing in the Indian market needs to become more value-driven, vigorous, integrated and efficient.

Presently our company manufactures 2,4-D Acid 98% TC, 2,4-D Sodium 95% SP, 2,4-D Amine 866 | 720 | 480g/l SL, 2,4-D Ethyl Hexyl Ester 96% TC, 2,4-D Ethyl Ester 96% TC, Chlorpyrifos 97% TC / 20% EC / 50% EC, Thiamethoxam 96% TC / 25% WG / 75% SG, Pretilachlor 95% TC / 50% EC / 37% EW, Metribuzin 97% TC / 70% WS, Hexaconazole 92% TC / 5% SC / 5% EC / 10% EC and Metalaxyl 98% TC / 35% WS for our customer base which comprises of large corporate.

For detailed information please refer chapter titled “Our Business” on Page No. 130 of the Draft Prospectus.

### SUMMARY OF OUR INDUSTRY

#### CHEMICALS SECTOR

As per Chemexil (Chemicals Export Promotion Council), India’s agrochemical export was estimated to be at US\$ 1.04 billion from April 2023-June 2023 (Provisional). Indian colorants industry has emerged as a key player with a global market share of ~15%. The country’s chemicals industry is de-licensed, except for few hazardous chemicals. India has traditionally been a world leader in generics and biosimilars and a major Indian vaccine manufacturer, contributing more than 50% of the global vaccine supply. India holds a strong position in exports and imports of chemicals at a global level and ranks 14th in exports and 8th in

imports at global level (excluding pharmaceuticals). From April 2023 to June 2023 (provisional), India's dye exports (Dyes and Dye Intermediates) totalled US\$ 561.56 million.

### **HERBICIDES:**

Farmers have faced weed-related issues and solutions from the beginning of agricultural history. Farmers' ability to lessen crop-weed competition expanded with the introduction of tractors and improvements in mechanization tools. However, the development of synthetic and related herbicides gave farmers, horticulturists, and foresters the ability to manage broad leaf weeds in broad leaf crops, narrow leaf weeds in narrow leaf crops, or broad leaf weeds in narrow leaf crops in addition to narrow leaf weeds in broad leaf crops.

The earliest attempt to control weeds in India with herbicides was made in 1937 in Punjab for controlling *Carthamus oxyacantha* by using sodium arsenite. 2,4-D was first tested in India in 1946. Since then, a number of herbicides have been imported and tried for their effectiveness in controlling many weed species.

The herbicide use, in comparison to industrialized countries, is significantly low in India till today. Albeit the crop loss is more due to the weed infestation than that caused by other pests.

The Ministry of Agriculture, Government of India regulates the manufacture, sale, import, export and use of herbicides through the 'Insecticides Act, 1968'. Central Insecticides Board (CIB) constituted under Section 4 of the Act advises Central and State Governments on technical matters. The Registration Committee (RC) constituted under section 5 of the Act approves the use of pesticides and new formulations to tackle the pest problem in various crops. The Registration Committee is responsible to register pesticides after scrutinizing the chemistry, bio efficacy and toxicology of the products.

Herbicides applied in combination either pre-plant incorporated or pre-emergence or postemergence generally increase the spectrum of weed control or the length of residual weed control. Tank-mixing of herbicides may improve the spectrum of weeds controlled in a single application which saves time and labour in a weed management programme. Mixing compatible herbicides from different chemical families may improve control of specific weed populations. Herbicide combinations may also provide control of several weed types at the same time, such as grassy and broadleaf weeds.

Source: - <https://www.ibef.org>

For detailed information please refer chapter titled “Our Industry” on Page No. 114 of the Draft Prospectus.

### **PROMOTERS**

The promoters of our Company are as follow:

- a) Mr. Archit Gupta,
- b) Mr. Arpit Gupta,
- c) Ms. Sarina Gupta and
- d) Ms. Rishita Gupta

For detailed information please refer chapter titled “Our Promoters” and “Our Promoter Group” on Page number 185 and 190 respectively of this Draft Prospectus.

### **OFFER SIZE**

The Initial Public Offer of up to 65,52,000 Equity shares of face value ₹ 10/- each comprising of fresh issue of up to 62,40,000 Equity Shares of face value ₹ 10/- each at a price of ₹. [●]/- per Equity Share (the “Offer

Price”), including a share premium of ₹ [●]/- per equity share aggregating to ₹. [●]/- Lakh by our Company and Offer for Sale of upto 3,12,000 Equity Shares of ₹10/-each at a price of ₹ [●]/- per Equity Share (the “Offer Price”), including a share premium of ₹ [●]/- per equity share aggregating to ₹ [●]/- Lakh by our Promoter, out of which 3,12,000 Equity Shares of face value of ₹.10/- each for cash at a price of ₹. [●] per Equity Share aggregating up to ₹. [●] lakh will be reserved for subscription by the market maker to the offer (the "Market Maker Reservation Portion"). The Offer excluding Market Maker Reservation Portion i.e. Offer of upto 62,40,000 Equity Shares of face value of ₹.10 each, at an offer price of ₹ [●]/- per Equity Share for cash, aggregating to ₹ [●] lakh is hereinafter referred to as the "Net Offer". The Public Offer and Net Offer will constitute 26.34% and 25.01% respectively of the Post-Offer Paid-Up Equity Share Capital of our Company.

The price band will be decided by our Company and the Selling Shareholders in consultation with the book running lead manager and will be advertised in all editions of a widely circulated English national daily newspaper), and all editions of a widely circulated Hindi national daily newspaper, at least 2 (two) working days prior to the bid/ Offer opening date with the relevant financial ratios calculated at the floor price and the cap price and shall be made available to the emerge platform of National Stock Exchange of India Limited for the purpose of uploading on their website for further details kindly refer to chapter titled “Terms of the Offer” beginning on page 286 of this Red Herring Prospectus

## OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds for the following objects:

Sr. No.	Particulars	Amount (In Rs. Lakh) *
A	To meet Working Capital Requirements	3,093.20
B	General corporate purposes**	[●]
C	Issue related expenses#	[●]
	<b>Total IPO Proceeds</b>	<b>[●]</b>

\* Tentative Figures

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

#As certified by M/s Kapish Jain & Associates, Chartered Accountants as on January 25, 2024, the Company has incurred INR 15.99 Lakh towards issue expenses.

Our fund requirements and deployment thereof are based on internal management estimates of our current business plans and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs or in other financial conditions, business strategy. (For further details, please refer chapter “Objects of the Issue” beginning from page no. 92 of this Draft Prospectus).

## AGGREGATE PRE-ISSUE SHAREHOLDING OF THE PROMOTER AND PROMOTER GROUP AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE ISSUER

S. No.	Name of share holder	Pre-issue		Post-issue	
		No. of Equity Shares	%age of Pre-Offer Capital	No. of Equity Shares	%age of Post-Offer Capital
<b>Promoters</b>					
1.	Sarina Gupta	1,73,99,180	93.10	1,73,99,180	[●]
2.	Rishita Gupta	3,50,240	1.87	3,50,240	[●]
3.	Archit Gupta	Nil	Nil	Nil	Nil
4.	Arpit Gupta	Nil	Nil	Nil	Nil
<b>Total – A</b>		<b>1,77,49,420</b>	<b>94.97</b>	<b>1,77,49,420</b>	<b>[●]</b>
<b>Promoter Group</b>					
Aromatic Rasayan Private Limited		-	-	-	-
<b>Total – B</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B)</b>		<b>1,77,49,420</b>	<b>94.97</b>	<b>1,77,49,420</b>	<b>[●]</b>

For further details, see the chapter titled “Capital Structure” beginning on page 67 of this Draft Prospectus.

## SUMMARY OF FINANCIAL INFORMATION

*(Amount in Lakhs)*

Particulars	For the Period ended 31 <sup>st</sup> October 2023	For the Year ended 31 <sup>st</sup> March 2023	For the Year ended 31 <sup>st</sup> March 2022	For the Year ended 31 <sup>st</sup> March 2021
Share Capital	1,868.88	1,774.94	1,774.94	489.35
Net Worth	3,301.46	2,363.60	1,906.67	(786.39)
Total Revenue	7,005.60	10,743.47	8,511.19	8,241.54
Profit after Tax	472.86	456.93	357.47	1,033.67
EPS Basic and Diluted	2.65	2.57	7.08	21.12
NAV per Equity Share (Post split) (in Rs.)	18.52	13.32	37.78	(16.07)
<b>Total borrowings</b>				
- Long Term	1,176.75	1,273.35	1,430.55	2,959.74
- Short Term	374.54	91.87	374.31	333.24

## QUALIFICATIONS OF AUDITORS

The Restated Financial Statements do not contain any qualification requiring adjustments by the Peer review auditors.

## SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

A summary of pending legal proceedings and other material litigation involving our Company is provided below:

Name	By/Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by regulatory authorities
Company	By	-	-	-	-
	Against	3	1	-	-
Promoter	By	-	-	-	-
	Against	-	-	-	-
Group Companies/Entities	By	-	-	-	-
	Against	-	-	-	-
Directors other than promoters	By	-	-	-	-
	Against	-	-	-	-

For further details, please refer chapter titled “Outstanding Litigations & Material Developments” beginning on page 266 of this Draft Prospectus.

## RISK FACTORS

For details relating to risk factors, please refer section titled “Risk Factors” beginning on page 30 of this Draft Prospectus.

## SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

Particulars	For the Period ended 31 <sup>st</sup> October 2023	For the Year ended 31 <sup>st</sup> March 2023	For the Year ended 31 <sup>st</sup> March 2022	For the Year ended 31 <sup>st</sup> March 2021
a. Estimated amount of contracts remaining to be executed and not provided for	-	-	-	-
b. Claims against the Company not acknowledged as debt	-	-	-	-
c. Bank Guarantees	-	-	-	-
d. Outstanding Tax Demand with Respect to any Revenue Authorities	660.78	-	-	-

For details, see “Restated Financial Information – Annexure – XII (Restated Statement of Contingent Liabilities)” on page 250.

## SUMMARY OF RELATED PARTY TRANSACTIONS

A summary of Related Party Transaction for Last Three financial years is provided below:

Name of the key managerial personnel/Entity	Relationship
<b>Key Management Personnel's (KMP):</b>	
Archit Gupta (till 06-09-2023)	Director
Arpit Gupta (till 06-09-2023)	Director
Nitesh Bansal (till 10-07-2023)	Independent Director
Sarina Gupta (w.e.f. 09.09.2023)	Whole Time Director
Rishita Gupta (w.e.f. 09.01.2023)	Director
Abdul Quadir (w.e.f. 30.09.2023)	Director
Roni Soni (w.e.f. 20.07.2023)	Director
Sandeep Bansal (w.e.f. 09.09.2023)	Director
Sarvar Alam (w.e.f. 03.10.2022)	Chief Financial Officer
Rimple Sarin (w.e.f. 03.10.2022)	Company Secretary
<b>Relatives of Key Management Personnel's:</b>	
Anil Gupta	Relative of KMP
Achla Gupta	Relative of KMP
<b>Enterprise over which KMP and their relatives exercise significant influence:</b>	
Aromatic Rasayan Private Limited	Entity under common control of KMP

Transactions with Related Parties:	(Amount in Lakhs)			
	31 <sup>st</sup> October 2023	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>Particulars</b>				
<b>Remuneration to</b>				
Anil Gupta	-	7.65	8.40	8.40



Archit Gupta	5.00	-	8.40	7.20
Arpit Gupta	5.00	10.20	8.40	7.20
Rishita Gupta	2.00	1.35	-	-
Sarina Gupta	2.00	-	-	-
Nitesh Bansal	0.40	-	-	-
Abdul Quadir	0.40	-	-	-
Sandeep Bansal	1.00	-	-	-
<b>Salary Paid</b>				
Archit Gupta	2.00	-	-	-
Arpit Gupta	2.00	-	-	-
Rishita Gupta	-	4.05	4.80	4.80
Achala Gupta	-	6.00	4.80	4.80
Sarina Gupta	-	5.40	4.80	4.80
Anil Gupta	-	2.55	-	-
<b>Sale of Goods to</b>				
Aromatic Rasayan Pvt Ltd	4,268.30	8,436.61	6,636.76	4,087.44
<b>Purchase of goods</b>				
Aromatic Rasayan Pvt Ltd	4,263.08	6,898.36	5,952.34	2,425.53
<b>Rent Paid</b>				
Aromatic Rasayan Pvt Ltd	-	-	-	4.02
<b>Balance outstanding at year end</b>				
<b>Unsecured loan</b>				
Anil Gupta	-	20.68	66.71	560.02
Archit Gupta	-	-	2.10	164.52
Arpit Gupta	-	(1.16)	1.04	174.96
Achla Gupta	8.02	8.02	4.69	225.53
Anil Gupta HUF	-	-	-	99.06

Ambey Capital Pvt Ltd	-	-	-	14.37
Rishita Gupta	-	4.84	4.55	25.02
Sarina Gupta	-	4.69	63.15	36.48
<b>Payable to</b>				
Aromatic Rasayan Pvt Ltd	737.51	1,115.47	860.96	886.32

For details of Related Party Transaction, please refer “Annexure IX” on page 248 of this Draft Prospectus.

## FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six (6) months immediately preceding the date of this Draft Prospectus.

## WEIGHTED AVERAGE COST OF ACQUISITION OF EQUITY SHARES BY OUR PROMOTER IN LAST ONE YEAR

The weighted average cost of acquisition of equity shares by our promoters in last one year which has been calculated by taking average amount paid by them to acquire our equity shares is as follows:

Name of shareholders	No. of shares bought or sold	Weighted Average Price (in Rs.) *
Sarina Gupta	1,69,34,380	-
Rishita Gupta	3,15,216	-
Arpit Gupta	-	-
Archit Gupta	-	-

\* As Certified By M/S Kapish Jain & Associates, Chartered Accountants dated January 30, 2024.

## AVERAGE COST OF ACQUISITION OF THE EQUITY SHARE FOR THE PROMOTER

The average cost of acquisition per Equity Share by our promoters which has been calculated by taking the average amount paid by them to acquire our Equity Shares, is as follows:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.) *
Sarina Gupta	1,73,99,180	0.21
Rishita Gupta	3,50,240	7.17
Arpit Gupta	-	-
Archit Gupta	-	-

\* As Certified by M/s Kapish Jain & Associates, Chartered Accountants dated January 30, 2024.

## DETAILS OF PRE-ISSUE PLACEMENT

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Prospectus until the listing of the Equity Shares.

### **ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR**

Our Company has not issued shares for consideration other than cash or out of revaluation of reserves, including Bonus Shares, in last one year.

### **SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR**

Our Company has sub-divided the nominal value of its equity shares from Rs. 100 each to Rs. 10 each in its Extra-Ordinary General Meeting held on September 27, 2023.

### **EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

Our Company has not filed any exemption application with SEBI as on date of this Draft Prospectus

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## SECTION III- RISK FACTORS

An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Draft Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this draft Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment. In addition, the risks set out in this draft Prospectus are not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have material adverse effect on our business, financial condition and results of operations, or which we currently deem immaterial, may arise or become material in the future. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with the Chapters titled “**Business Overview**” and “**Management’s Discussion and Analysis of Financial Position and Results of Operations**” on page 130 and 255, respectively of this Drafts Prospectus as well as other financial and statistical information contained in this Draft Prospectus. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with restated financial information of our Company prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto.

### **Materiality**

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

1. Some events may have material impact quantitatively;
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material individually but may be found material collectively.
4. Some events may not be material at present but may be having material impact in future.

### **INTERNAL RISK FACTORS**

#### **1. Demat account of Ms. Rishita Gupta is freezed.**

The promoter demat account has been frozen as per the SEBI Letter dated 11.02.2021. Unfortunately, a copy of the letter is not available in her records, making it challenging to ascertain the reasons for the account freeze and the duration for which it will remain suspended.

#### **2. A few of our properties including Registered Office of our Company, are not owned by us. In the event, we are unable to renew the lease/rent agreements, or if such agreements are terminated, we may suffer a disruption in our operations.**

Some of our business premises which include Registered Office of our Company, are taken on lease of varying tenures. These leases are renewable on mutually agreed terms. Upon termination of the lease,

we are required to return the said business premises to the Lessor/Licensor, unless renewed. There can be no assurance that the term of the agreements will be renewed and in the event the Lessor/Licensor terminates or does not renew the agreements on commercially acceptable terms, or at all, and we are required to vacate our offices, we may be required to identify alternative premises and enter into fresh lease or leave and license agreement. Such a situation could result in loss of business, time overruns and may adversely affect our operations and profitability. For details on properties taken on lease/rent by us please refer to the heading titled “Our Properties” in chapter titled “Business Overview” beginning on page 130 of this Draft Prospectus.

**3. Our Board of Directors and Management may change our operating policies and strategies without prior notice or shareholders’ approval.**

Our Board of Directors and Management has the authority to modify certain of our operating policies and strategies without prior notice (except as required by law) and without shareholder’s approval. We cannot predict the effect of any changes to our current operating policies or strategies, on our business, operating results and the price of our Equity Shares.

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

Certain of the raw materials that we use are hazardous, corrosive and flammable and require expert handling and storage, as applicable. Any failure of our control systems, mishandling of hazardous chemicals, leakages, explosion or any adverse incident related to the use of these chemicals or otherwise during the manufacturing process, transportation, handling or storage of products and certain raw materials, may cause industrial accidents, fire, loss of human life and property, damage to our and third-party property and / or environmental damage, require shutdown of one or more of our manufacturing facilities and expose us to civil or criminal liability. The occurrence of any such event in the future may adversely affect our reputation and may also result in a loss of life or property which in turn could lead to disruption of our operations, resulting in an adverse effect on our results of operations, cash flows and financial condition. The improper storage or mishandling of our products during transit may compromise the quality of the products being delivered to our customers and can potentially expose us to liabilities and claims which could adversely affect our brand image and reputation and have a material and adverse effect on our business prospects, results of operations and financial condition

**5. Our funding requirements and deployment of the issue proceeds are based on management estimates and have not been independently appraised by any bank or financial institution and actual cost may vary compared with the estimated amount.**

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates and our current business plan. The fund requirements and intended use of proceeds have not been appraised by bank or financial institution and are based on our estimates. In view of the competitive and dynamic nature of our business, we may have to revise our expenditure and fund requirements as a result of variations including in the cost structure, changes in estimates and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our board. In addition, schedule of implementation as described herein are based on management’s current expectations and are subject to change due to various factors some of which may not be in our control. The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors/Management and is not subject to monitoring by external independent agency. However, the deployment of funds is subject to monitoring by our Audit Committee. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

- 6. Substantial portion of our revenues has been dependent upon our few clients. The loss of any one or more of our major clients would have a material adverse effect on our business operations and profitability.**

We haven't entered into any long term agreement with our customers. Our Top 5 Customers contribute 90.05% revenue in the stub period and 95.57% in the Financial Year 2022-23. The loss of our major customers or a decrease in the volume of products sourced from us may adversely affect our revenues and profitability. We cannot assure you that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our operations and profitability.

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

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

<b>(Amount in Lakhs)</b>	
<b>Particulars</b>	<b>No. of cases</b>
<b>Proceedings against our Company</b>	
Civil	3
Criminal	1
Tax	-
<b>Proceedings by our Company</b>	
Civil	-
Criminal	-
Tax	-
<b>Proceedings against our Promoters</b>	
Civil	-
Criminal	-
Tax	-
<b>Proceedings against by Promoters</b>	
Civil	-
Criminal	-
Tax	-

We cannot assure you that these legal proceedings will be decided in favour of our Company, Promoter, and Directors, as the case may be, or that no further liability will arise out of these proceedings. If any new developments arise, such as change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our Restated Financial Statements that could increase our expenses and current liabilities. Further, such legal proceedings could divert management time and attention and consume financial resources. Any adverse outcome in any of these proceedings may have an adverse effect on our results of operations and financial condition. Further, there is no assurance that legal proceedings will not be initiated against our Company, its directors, Promoters in future. For details kindly refer the chapter titled "Outstanding Litigation and Material Developments" beginning on page no. 266 of this Draft Red Herring Prospectus.

- 8. We require a number of approvals, licenses, registration and permits for our business and failure to obtain or renew them in a timely manner may adversely affect our operations. In some cases, we may be operating without all the required permissions, risking civil and criminal sanctions.**

We may require several statutory and regulatory permits, licenses and approvals in the ordinary course

of our business. Many of these approvals are granted for fixed periods of time and some need renewal from time to time. 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. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension, delay in issuance or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business.

**9. Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees / workers or any other kind of disputes with our employees / workers.**

We operate in a labor-intensive industry. There can be no assurance that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

**10. Our Company has obtained insurance coverage which may not adequately cover all potential losses to which we may be subject to, and this may have a material adverse effect on our business, result of operations and financial conditions.**

Our insurance coverage may not adequately protect us against certain operating hazards and this may have a material adverse effect on our business. There can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time. Accordingly, to the extent that we suffer loss or damage that is not covered by insurance or which exceeds our insurance coverage, our results of operations or cash flows may be affected. There is a risk that our insurance policies may not be sufficient in covering all losses in which we or any third parties may suffer. If we suffer in an event for which we are not adequately insured, there is a risk that it could have a material adverse effect on our business, results of operations and financial condition.

In addition, our insurance coverage expires from time to time. We apply for the 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. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected. Further our two-wheeler, public liability industrial, Standard Fire and Special Perils Policy and Workmen Compensation insurance policy were expired and we applied for the renewal of the same.

**11. The seasonality of the business of the issuer may affect the business of the issuer**

Our business is divided into Two seasons, namely Kharif (Summer and Rainy Season) and Rabbi (Winters Season) the transition time from Rabbi to Kharif is mainly a non- season which lasts for approx. 2 months march and April. The company exports during the transition phases to counter the seasonality effects.

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

Our revenue is attributable to Crop Care and Specialty Chemicals. The demand for our products and margin of our products is dependent on and directly affected by factors affecting these industries. Consequently, any reduction in demand or a temporary or permanent discontinuation of manufacturing of products on account of breakthrough in the development or invention of alternate formulations, may expose us to the risk of our products becoming obsolete or being substituted by such alternatives. Any failure on our part to effectively address such situations or to successfully introduce alternate products or the shifting of the practice in these industries towards developing substitutes of our products could

adversely affect our business, results of operations, financial condition and cash flows. Before we can introduce a new product, we must successfully execute a number of steps that involve a significant lead time, obtaining the requisite regulatory approvals and registrations, customizing our production capacities, scaling our vendor, production and infrastructure networks, getting relevant customer approval post undertaking their audit processes and effective marketing strategies. Our failure to effectively adapt to the situations or to successfully introduce new products or new applications, under unpredicted circumstances could adversely affect our business, results of operations and financial condition as we have in the past experienced a slowdown in the demand for our products and delays in new product development. Further, we cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to our technological infrastructure, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our products less competitive or attractive. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs and lead to us being less competitive in terms of our prices or quality of products. The development and commercialization process of a new product would require us to spend considerable time and money. Delays in any part of the process, our inability to obtain necessary regulatory approvals for our products or failure of a product to be successful at any stage could adversely affect our business.

**12. Our Promoters, directors and group company has given personal guarantees in relation to certain debt facilities provided to us.**

Our Promoters, directors and group company has given personal guarantees in relation to our secured debt facilities availed from our Bankers. In the event any of these persons withdraws or terminates its/their guarantee, the lender for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition.

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

Our business is dependent on our ability to manage our manufacturing facility situated at Sotanala, Rajasthan, including productivity of our workforce, compliance with regulatory requirements or changes in the policies of the state or local governments of this region or the Government of India and those instances which are beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural calamities or civil disasters and pandemics, including the COVID-19 pandemic which caused certain disruptions in our operations

Our manufacturing facility is subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results.

In addition, we may be required to shut down our manufacturing facilities for various reasons such as maintenance, inspection, testing and capacity expansion. Further, the capacity utilization at our manufacturing facilities is subject to various factors such as availability of raw materials, power, water, efficient working of machinery and equipment and optimal manufacturing planning.

In the event there are any disruptions at our manufacturing facilities, due to natural or man-made disasters, workforce disruptions, regulatory approval delays, fire, failure of machinery, lack of access to assured supply of electrical power and water at reasonable costs or any significant social, political



or economic disturbances, could reduce our ability to meet the conditions of our contracts, manufacture our products and adversely affect sales and revenues from operations in such period. Although we have not faced any such instances till the date of this Draft Red Herring Prospectus.

**14. Our existing manufacturing operation is geographically located at one place. Hence, we may face the risk of geographical non-diversification of manufacturing facilities.**

Although we exercise centralized control, being a single point manufacturing facility will prove to be disadvantageous at times because of any disruption on account of labour unrest, power failures, natural calamities, or civic unrest. Our operations will have to be stalled which will impact our production, delivery of goods and financial results.

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

Our products have end uses in mainly Pharma, Agro Specialty chemical. Given the nature of our products, adherence to quality standards is a critical factor in our manufacturing process. Our customers maintain strict quality standards that includes strict qualification and certification procedures. Our products go through various quality checks at various stages at our manufacturing facilities. While we have quality control systems in place, there can be no assurance that such quality controls may not be subject to failure. Failure of our products to meet the quality standards expected by our customers may result in rejection and reworking of our products. Any manufacturing or quality control problems may subject us to regulatory action, damage our reputation and have an adverse effect on our business, results of operations, financial condition and cash flows.

The Company operates in an industry which is heavily regulated. Since we supply our products to customers having global markets, our manufacturing facilities and products may be subjected to audit and inspection by Indian and overseas regulatory agencies. While historically, we have not received any notices pursuant to any inspection or audit undertaken by the Indian or the overseas regulatory agencies, going forward if we are not in compliance with any of their requirements, our facilities and products may be the subject of a warning letter or sanctions or any other action from regulatory authorities, which could result in the withholding of product approval and the shut-down of our facilities. Further, any failure to make timely deliveries of products in the desired quantity as per our customers' requirements could also result in the cancellation of orders placed by our customers and may adversely affect our reputation and goodwill. Our manufacturing facility is also subject to periodic audits by our customers. This may involve inspection of the manufacturing facility, review of the manufacturing processes, review of the raw materials, review of our financial capabilities, technical review of the specification of the proposed product, review of our logistical capabilities, and reviews of our product. The product delivered by us is further subject to laboratory validation by certain customers. In the event our products do not comply with the specifications provided by the customer or in the event of a product recall, our supplies may be rejected, which may in turn result in a materially adverse impact on our business, financial conditions and results of operations.

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

The success of our operations depends on a variety of factors, including our ability to source raw materials at competitive prices. Raw material supply and pricing can be volatile due to a number of factors beyond our control, including demand and supply, general economic and political conditions, transportation and labour costs, natural disasters, pandemic, competition and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. We seek to source our raw materials from reputed suppliers and typically seek quotations from multiple suppliers. We typically do not enter into long-term agreements with our suppliers. We may be required to track the supply demand dynamics and regularly negotiate prices with our suppliers in case of significant fluctuations in raw material prices or foreign currency fluctuations.

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

**17. Our Company has allotted Equity Shares at a price lower than the Issue Price during last 12 (twelve) months preceding the date of this Draft Red Herring Prospectus.**

During last 12 (twelve) months preceding the date of this Prospectus, In October 2023, our Company has made allotment of 9,39,399 Fully Paid-up Equity Shares of ₹10/- each at ₹ 49.5 per Equity Share, i.e. at price lower than the Issue Price. For further details please refer the section titled “Capital Structure” on page 67 of this Draft Red Herring Prospectus.

**18. We are dependent on our management team for success whose loss could seriously impair the ability to continue to manage and expand business efficiently.**

Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the management team and staff could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new projects and expand our business.

**19. Our company has a negative cash flow in some of the previous years, details of which are given below. Sustained negative cash flow could impact our growth and business.**

Our Company had negative cash flows from our operating activities, investing activities as well as financing activities in some of the previous year(s) as per the Audited Restated Financial Statements and the same are summarized as under:

Particulars	(Amt in Lakhs)			
	As on October 31, 2023	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Cash Flow from/ (used in) Operating Activities	(503.11)	944.10	560.72	274.32
Cash Flow from/ (used in) Investing Activities	(44.45)	(308.55)	(75.30)	(116.71)
Cash Flow from/ (used in) Financing Activities	549.54	(623.37)	(507.64)	(149.02)

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

**20. The prices we are able to obtain for our products that we trade depend largely on prevailing market prices.**

The price of the products traded by us has a significant impact on our profits. Some of our products have been subject to price fluctuations due to domestic and foreign trade policies, shifts in supply and demand and other factors beyond our control. As a result, any fluctuation in prices could have a material adverse effect on our Company and our results of operations.

**21. If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.**

We manage our internal compliance by monitoring and evaluating internal controls and ensuring all relevant statutory and regulatory compliances. However, there can be no assurance that deficiencies in our internal controls will not arise or that we will be able to implement and continue to maintain adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.

**22. We depend on the accuracy and completeness of information about customers and counterparties and any misrepresentation, errors in or incompleteness of such information could cause our business to suffer.**

In deciding whether to extend credit or enter into other transactions with customers, we rely on information furnished to us by or on behalf of customers. We may also rely on certain representations from our customers as to the accuracy and completeness of that information. For ascertaining the credit worthiness, we do not obtain any independent support from credit information companies or credit bureaus and/or independent valuers in relation to the value of the net worth of such parties. Our reliance on any misleading information given may affect our judgment of credit worthiness of potential customers, which may affect our business, prospects, results of operations and financial condition.

**23. All of our product verticals are extremely competitive segments and we face risk of competition affecting our margins and profitability as we scale our operations.**

Our purchase and sales models include various intermediaries who may connect with our competitors and share details of the specialties of our products or our sourcing processes etc. We may not be able to protect our trade secrets and may not be able to detect the same as well. We have not entered into any non-disclosure agreements with our intermediaries and thus our efforts towards marketing of our products may be leaked to other players in the market. This may affect the demand and exclusivity of our products and make us subject to fierce competition thereby adversely affecting our business, financial condition and results of operations.

**24. Failure to procure inventory could have an adverse effect on our net sales, profitability and cash flow.**

Our Company works on a model wherein the inventory/goods are procured by us based on the demand or customer requirement. Our inability to procure the inventory/goods in timely manner will adversely affect our net sales, profits and cash flow. Further, our inability to supply the inventory/goods in timely manner to our customers, may result in loss of business from the said customer and thereby decrease in our net sales and profitability.

**25. We could be exposed to risks arising from misconduct, fraud and trading errors by our employees and Business Associates.**

Frauds or other delinquencies by employees could include indulging in transactions that exceed authorized limits or present unacceptable risks to us; hiding unauthorized or unsuccessful trading activities from us; or the improper use of confidential information. Such misconduct could result in unacceptable business risks, losses, invite regulatory sanctions and seriously harm our reputation and could even lead to litigation. The precautions we take to prevent and detect these activities may not be effective. Any delinquencies or trading errors on the part of our employees could materially affect our business operations, financial position and/or reputation.

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

Our operations are subject to hazards including inherent in chemical manufacturing facilities. Our principal types of coverage include Public Liability Insurance, anti-burglary policy, accident policy. We could be held liable for accidents that occur at our manufacturing facilities or otherwise arising out of our operations. In the event of personal injuries, fires or other accidents suffered by our employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, to the extent that we suffer loss or damage, for which we have not obtained or maintained insurance, or which is not covered by insurance, which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations and financial condition could be adversely affected. In addition, our insurance policies expire from time to time and we may not be able to renew our policies in a timely manner, or at acceptable cost.

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

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

Our contingent liabilities as per AS 29 as of October 31, 2023 were as follows:

Particulars	As at October 31, 2023 (Amt in Lakhs)
Outstanding Tax Demand with Respect to any Revenue Authorities	660.78


For further details of the contingent liabilities and commitments of our Company, see **Annexure XII “Restated Financial Information – Contingent Liabilities”** starting from page 250. If a significant portion of these liabilities materialize, it could have an effect on our results of operations and financial condition. Further, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

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

Our Company has entered into related party transactions with our related parties for the period ended on October 31, 2023 and year ended March 31, 2023, 2022 and 2021. While our Company believes that all such transactions have been conducted on the arm’s length basis, there can be no assurance that

it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will continue to enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to “Annexure – IX” “Restated Related Party Transactions” under Chapter titled “Restated Financial Information” beginning on page 248 of the Prospectus.

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

Currently our company is using  as logo, which is not owned by it. Currently, we do not have registered trademarks for our corporate name and logo under the Trade Marks Act, 1999. Consequently, we do not enjoy the statutory protections accorded to registered trademarks in India for the corporate name and logo of our company. In the absence of such registrations, competitors and other companies may challenge the validity or scope of our intellectual property right over these brands or our corporate name or logo. As a result, we may be required to invest significant resources in developing new brands or names, which could materially and adversely affect our business, financial condition and results of operations. Additionally, the use of trade names or trademarks by third parties which are similar to our trade names or trademarks may result in confusion among customers and loss of business and loss of business to our company and ultimately effecting financial conditions of our company

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

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

**31. Delays in customer payments could result in a reduction of our profits and cash flows.**

We often commit resources to orders prior to receiving advances or other payments from customers in amounts sufficient to cover expenditures on orders as they are incurred. We may be subject to working capital shortages due to delays in customer payments. If the customer defaults in their payments on an order, or cancel their orders for which we have devoted significant resources or incurred expenditure, it could have a material adverse effect on our business, financial condition, results of operations and cash flows and could cause the price of our equity shares to decline. Hence, any last-minute cancellations would also run the risk of not being able to sell those products to another customer. These events could have a material adverse effect on our revenues, results of operations and cash flows.

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

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

**33. One of our Director is unable to provide us an authentic copy of her degree.**

Our directors hold the necessary qualifications required for their respective positions. However, one of our director Ms. Sarina Gupta is unable to provide us an authentic copy of her degree.

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

As of October 31, 2023, we have INR 1551.29/- Lakhs of outstanding debts as per restated financial of the Company.

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

- Affecting our credit rating
- Limiting our ability to borrow money both now and in the future
- Increasing our interest expenditure and adversely affecting our profitability, since almost all of our debt bears interest at floating rates.

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

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

As on period ended on October 31, 2023, our Company has unsecured loans amounting to ₹ 99.52 lakhs from lenders that are repayable on demand to them. Such loans are repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lenders at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition. For further details of unsecured loans of our Company, please refer “**Annexure – 1.3 Restated Statement of Long-Term Borrowings**” respectively under chapter titled “Restated Financial Information” beginning on page 216 of this Prospectus

**36. Our Company has file certain forms with delayed fees and company cannot assure that no proceedings or regulatory actions will be initiated against it in relation to the non-filing and delayed filing.**

Our company has filed certain forms with delayed fees with ROC. Although, no show cause notice in respect of the above has been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent.

**37. Delay in making any Statutory payments viz. Tax Deducted at Source, Income Tax, Good and Service Tax, Employee Provident Fund, ESIC or any other Statutory dues which may attract any penalty or demand raised by statutory authorities in future will affect financial position of the Company.**

Our Company is engaged in the manufacturing business, which attracts tax liability such as Goods and Service tax and Income tax and other Statutory taxes as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund and Employee State Insurance. We have made delay in certain payment and filing of GST Returns in past years due to some beyond control reasons. Any demand or penalty imposed by the concerned authority in future for late payments or non-payments, both for any previous year and current year, will have an impact on the financial position of the Company. For instance, our company has previously experienced delayed filing of GST Returns due to operational reasons, leading to the payment of late fees and penalties. Any demands or penalties raised by the concerned GST authority for such late filings may affect the

company's financial position."

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

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

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

The funds that we receive would be utilized for the objects of the Issue as has been stated in the section "Objects of the Issue" on page no. 92 of the Draft Red Herring Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue this may affect our revenues and results of operations.

**40. Certain of our old corporate records are not available with us.**

We are unable to trace certain corporate records in relation to allotment of shares, forms for change in directors of our Company. We have also been unable to trace copies of certain transfer deeds for transfer of equity shares. These documents pertain to the period commencing from 1985 to 2006. Despite having conducted an extensive search in the records of our Company, we have not been able to retrieve the aforementioned documents, and accordingly, have relied on other documents, such as our share transfer register, register of members, register of directors, board resolutions and minutes, annual returns to verify the details of our equity shares allotted during this period and change in directors of the Company

***EXTERNAL RISK FACTORS***

**41. Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.**

Our business and industry are regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended / changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

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

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, financial condition, results of operations, cash flows and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For instance, the Companies Act 2013, several provisions of which (including rules issued thereunder) contain significant changes to Indian company law, including in relation to the issue of capital by companies, related party transactions, corporate governance, audit matters, shareholder class actions, restrictions on the number of layers of subsidiaries and corporate social responsibility.

Compliance with such requirements may require significant financial and administrative resources, and any failure to comply may adversely affect our business and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. If a determination is made that we were in violation of such laws, rules or regulations, including conditions in the permits required for our operations, we may have to pay fines, modify or discontinue our operations, incur additional operating costs or make capital expenditures and our business, financial positions, results of operations or cash flows could be adversely affected. For details on the laws currently applicable to the Company kindly refer the chapter titled “**Key Industry Regulations**” beginning on page 160 of this Prospectus.

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

Taxes and other levies imposed by the Central or State Governments in India affect the cost and prices of the products we trade in and therefore demand for such product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

**44. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and chemical industry contained in this Prospectus.**

While facts and other statistics in this Prospectus relating to India, the Indian economy and the chemical industry has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled “**Industry Overview**” beginning on page 114 of this Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**45. The extent and reliability of Indian infrastructure could adversely affect our Company’s results of operations and financial condition.**

India’s physical infrastructure is in a developing phase, as compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company’s normal business activity. Any deterioration of India’s physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company’s business operations, which could have an adverse effect on its results of operations and financial condition.

**46. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.**

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other



political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

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

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

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

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

**49. A slowdown in economic growth in India and globally could cause our business to suffer.**

We are highly dependent on prevailing economic conditions in India and globally and our results of operations are significantly affected by factors influencing the Indian and global economy. A slowdown in the economy and per capita income could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy. Factors that may adversely affect the Indian and global economy and per capita income, and hence our results of operations, may include:

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

Any slowdown in the Indian or global economy and per capita income or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. Specifically, it has been seen that in our industry, that general correlation exists between demand for pharmaceuticals and per capita income, and therefore any slowdown in per capita income would adversely affect the Indian pharmaceutical market, as well as our business. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

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

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

**51. Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.**

India has experienced natural calamities such as earthquakes, tsunami and floods in recent years. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

**52. Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect the financial markets and our business.**

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. In addition, the Asian region has from time-to-time experienced instances of civil unrest and hostilities among neighboring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

**53. The occurrence of natural disasters may adversely affect our business, financial condition and results of operations.**

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornadoes, fires and pandemic disease may adversely affect our financial condition or results of operations. The potential impact of a natural disaster on our results of operations and financial position is speculative, and would depend on numerous factor The extent and severity of these natural disasters determines their effect on the Indian economy. An outbreak of a communicable disease in India would adversely affect our business and financial conditions and results of operations. We cannot assure you that such events will not occur in the future or that our business, financial condition and results of operations will not be adversely affected.

## SECTION IV- INTRODUCTION TO THE ISSUE

<b>PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS</b>	
<b>Equity Shares Offered through Public Issue</b> <sup>(1)(2)</sup>	Issue of up to 65,52,000* Equity Shares of face value ₹10 each fully paid-up of our Company.
<b>Out of which:</b>	
<b>Issue Reserved for the Market Makers</b>	Up to 3,12,000 Equity Shares aggregating to ₹ [●] Lakhs.
<b>Net Issue to the Public</b>	Up to 62,40,000 Equity Shares aggregating to ₹ [●] Lakhs.
<b>Out of which*</b>	
A. QIB Portion <sup>(3)(4)</sup>	Not more than [●] Equity Shares aggregating up to ₹ [●] lakhs.
<b>Of which</b>	
i) Anchor Investor Portion	Up to [●] Equity Shares aggregating up to ₹ [●] lakhs.
ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares aggregating up to ₹ [●] lakhs.
<b>Of which</b>	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] Equity Shares aggregating up to ₹ [●] lakhs
(b) Balance of QIB Portion for all QIBs including Mutual Funds	Up to [●] Equity Shares aggregating up to ₹ [●] lakhs
B. Non-Institutional Portion	Not less than [●] Equity Shares aggregating up to ₹ [●] lakhs
C. Retail Portion	Not less than [●] Equity Shares aggregating up to ₹ [●] lakhs
<b>Pre and Post – Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	1,86,88,819 Equity Shares of face value ₹10 each
<b>Equity Shares outstanding after the Issue</b>	[●] Equity Shares of face value ₹10 each
<b>Use of Net Proceeds by our Company</b>	Please see the chapter titled <b>“Objects of the Issue”</b> on page 92 of this Draft Red Herring Prospectus.

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

### **Notes:**

- 1) The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (2) of SEBI (ICDR) Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being offered to the public for subscription.
- 2) The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on December 26, 2023 and by the Shareholder of our Company, vide a special resolution

passed pursuant to Section 62(1) I of the Companies Act, 2013 at the Extra Ordinary General Meeting held on January 24, 2024.

- 3) The SEBI (ICDR) Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e., not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to non-institutional bidders.
- 4) Subject to valid bids being received at or above the Issue Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.

Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion 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 the event of under-subscription in the Anchor Investor Portion, the remaining 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 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 Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled “Issue Procedure” beginning on page 296 of this Draft Red Herring Prospectus.

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## SUMMARY OF OUR FINANCIAL INFORMATION

The following tables provide the summary of financial information of our Company derived from the Restated Financial Information as at and for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 and for the period ended October 31, 2023.

The Restated Financial Information referred to above is presented under “Restated Financial Information” beginning on page no. 197. The summary of financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page no. 255.

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## RESTATED STATEMENT OF ASSETS AND LIABILITIES

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	Annexure No.	As at	As at	As at	As at
		31 October 2023	31 March 2023	31 March 2022	31 March 2021
Equity & Liabilities					
1. Shareholders Fund					
a) Share Capital	I.1	1,868.88	1,774.94	1,774.94	489.35
b) Reserves and Surplus	I.2	1,432.58	588.66	131.73	(1,275.74)
Total Shareholder's Fund		3,301.46	2,363.60	1,906.67	(786.39)
2. Non-Current Liabilities					
a) Long Term Borrowings	I.3	1,176.75	1,273.35	1,430.55	2,959.74
b) Deferred Tax Liability	I.4	-	-	-	-
c) Other Non-Current Liabilities	I.5	46.93	46.93	46.93	48.97
c) Long Term Provisions	I.6	50.69	50.47	50.60	47.11
Total Non-Current Liabilities		1,274.37	1,370.75	1,528.08	3,055.82
3. Current Liabilities					
a) Short Term Borrowings	I.7	374.54	91.87	374.31	333.24
b) Trade Payables	I.8	2,071.01	1,623.04	1,487.48	1,619.44
c) Other Current Liabilities	I.9	209.59	98.16	110.44	135.44
d) Short Term Provisions	I.10	247.45	214.43	185.96	104.25
Total Current Liabilities		2,902.59	2,027.50	2,158.19	2,192.37
Total Equity & Liability		7,478.42	5,761.85	5,592.94	4,461.80
4. Non-Current Assets					
a) Property, Plant and Equipment and Intangible Assets	I.11				
- Property, Plant and Equipment		2,241.18	2,421.84	2,411.08	1,457.38
- Intangible Assets		85.88	99.88	97.73	127.47
- Work-In-Progress		42.95	-	-	95.12
Total Fixed Assets		2,370.01	2,521.72	2,508.81	1,679.97
b) Non-Current Investments		-	-	-	-
c) Deferred Tax Assets (Net)	I.4	238.47	432.01	596.99	722.59
d) Long Term Loans and Advances	I.12	48.23	45.53	44.82	45.85
e) Other Non- current Assets		-	-	-	-
Total Non-Current Assets		2,656.71	2,999.26	3,150.62	2,448.41

5. Current assets					
a) Current Investments	I.13	78.12	60.44	-	-
b) Inventories	I.14	1,742.76	1,712.03	1,075.09	873.23
c) Trade Receivables	I.15	2,135.02	356.51	852.44	696.68
d) Cash and Cash Equivalents balances	I.16	43.06	41.09	28.90	51.10
e) Short Term Loans and advances	I.17	432.25	307.03	329.67	272.93
d) Other Current Assets	I.18	390.50	285.49	156.22	119.45
Total Current Assets		4,821.71	2,762.59	2,442.32	2,013.39
Total Assets		7,478.42	5,761.85	5,592.94	4,461.80

Note: The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements Appearing in Annexure IV & V respectively.

**For Kapish Jain & Associates**  
**Chartered Accountants**  
**Firm Reg. No. 022743N**

**For and on behalf of the Board of**  
**Ambey Laboratories Limited**

Sd/-  
**CA Kapish Jain**  
**Partner**  
**Membership No. 514162**

Sd/-  
**Sarina Gupta**  
**Director**  
**DIN: 087087098**

Sd/-  
**Rishita Gupta**  
**Director**  
**DIN: 07932723**

**Place: New Delhi**  
**Date: 30.01.2024**

Sd/-  
**Rimple Sarin**  
**Company Secretary**  
**M. No. A66345**

Sd/-  
**Sarvar Alam**  
**Chief Financial Officer**  
**PAN: BGOPA2094P**

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## RESTATED STATEMENT OF PROFIT & LOSS ACCOUNT

### ANNEXURE - II

*(All amounts in ₹ lakh, unless otherwise stated)*

Particulars	Annexure No.	For the period ended	For the year ended	For the year ended	For the year ended
		31 <sup>st</sup> October 2023	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>Income</b>					
I Revenue from Operations	II.1	6,993.36	10,482.12	8,460.07	8,173.94
II Other Income	II.2	12.24	261.35	51.12	67.60
<b>III Total Income</b>		<b>7,005.60</b>	<b>10,743.47</b>	<b>8,511.19</b>	<b>8,241.54</b>
<b>IV Expenditure</b>					
(a) Cost of Material Consumed	II.3	6,244.27	9,294.15	6,991.03	6,447.80
(b) Change in Inventories	II.4	(429.43)	(302.97)	(101.34)	187.55
(c) Employee Benefit Expenses	II.5	103.00	241.50	195.03	191.02
(d) Other Expenses	II.6	113.62	408.06	341.26	374.57
<b>V Total Expenses</b>		<b>6,031.46</b>	<b>9,640.74</b>	<b>7,425.98</b>	<b>7,200.94</b>
<b>VI. Profit Before Interest, Depreciation and Tax</b>		<b>974.14</b>	<b>1,102.73</b>	<b>1,085.21</b>	<b>1,040.60</b>
VII. Depreciation and amortization expense	I.11	196.20	296.26	297.03	322.22
VIII Profit Before Interest and Tax (VI-VII)		777.93	806.47	788.18	718.38
<b>IX Financial Charges</b>	<b>II.7</b>	101.54	183.73	305.11	409.53
<b>X Profit Before Exceptional and</b>		<b>676.39</b>	<b>622.74</b>	<b>483.07</b>	<b>308.85</b>



<b>Extraordinary Items and Taxes (VIII-IX)</b>					
XI Exceptional Items - Prior period items		-	0.83	-	-
XII Profit Before Extraordinary Items and Taxes (X-XI)		<b>676.39</b>	<b>621.91</b>	<b>483.07</b>	<b>308.85</b>
XIII Extraordinary Items		-	-	-	-
XIV Profit Before Tax (XII-XIII)		<b>676.39</b>	<b>621.91</b>	<b>483.07</b>	<b>308.85</b>
<b>XV Tax Expenses</b>					
<b>Current tax</b>		112.90	103.81	80.63	51.55
<b>Current tax for earlier year</b>	<b>II.8</b>	10.00	-	-	-
<b>Deferred tax charge(benefit)</b>		193.54	164.98	125.60	(724.83)
<b>MAT credit entitlement</b>		(112.90)	(103.81)	(80.63)	(51.55)
<b>Total tax Expenses</b>		<b>203.54</b>	<b>164.98</b>	<b>125.60</b>	<b>(724.83)</b>
<b>Net Profit/(Loss) for the Year (XIV-XV)</b>		<b>472.86</b>	<b>456.93</b>	<b>357.47</b>	<b>1,033.67</b>
<b>Basic and Diluted Equity Per Share</b>		<b>2.65</b>	<b>2.57</b>	<b>7.08</b>	<b>21.12</b>

**Note:** The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements Appearing in Annexure IV & V respectively.

**For KAPISH JAIN & ASSOCIATES**  
Chartered Accountants  
Firm Reg. No. 022743N

**For and on behalf of the Board of**  
**Ambey Laboratories Limited**

Sd/-  
CA Kapish Jain  
Partner  
Membership No. 514162

Sd/-  
Sarina Gupta  
Director  
DIN: 087087098

Sd/-  
Rishita Gupta  
Director  
DIN: 07932723

Place: New Delhi  
Date: 30.01.2024

Sd/-  
Rimple Sarin  
Company Secretary  
M. No. A66345

Sd/-  
Sarvar Alam  
Chief Financial Officer  
PAN: BGOPA2094P

## RESTATED CASH FLOW STATEMENT

### ANNEXURE – III

(All amounts in lakh, unless stated otherwise)

PARTICULARS	31 October 2023	31 March 2023	31 March 2022	31 March 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit Before Tax as per Profit & Loss A/c	676.39	621.91	483.07	308.85
Adjusted for:				
a. Depreciation	196.20	296.26	297.03	322.22
b. Interest Expenses & Finance Cost	101.54	183.73	305.11	409.53
c. Unrealised foreign currency (gain)/loss	(9.26)	-	(3.74)	(3.70)
d. Interest Income	(0.04)	(0.62)	(0.58)	(4.03)
Operating profit before working capital changes	964.83	1,101.28	1,080.89	1,032.88
Adjusted for:				
a. Decrease / (Increase) in Inventories	(30.73)	(636.94)	(201.86)	505.78
b. Decrease / (Increase) in Trade Receivable	(1,769.25)	495.93	(152.01)	(198.79)
c. Decrease / (Increase) in Long Term Loans and Advances	(2.70)	(0.71)	1.03	88.95
d. Decrease / (Increase) in Short Term Loans and Advances	(125.20)	22.63	(56.75)	(25.00)
e. Decrease / (Increase) in Other Assets	(105.01)	(129.27)	(36.76)	(100.50)
f. Increase / (Decrease) in Trade Payables	447.97	135.56	(131.96)	(296.16)
g. Increase / (Decrease) in Long Term Provisions	0.22	(0.13)	3.50	(1.98)
h. Increase / (Decrease) in Other Liabilities	111.78	(10.92)	(21.94)	(783.91)
i. Increase / (Decrease) current asset current investment	(17.68)	(60.44)	-	-
Cash generated from operations				
Net Income Tax (Paid)/Refund	22.65	27.14	76.57	53.06
Net Cash Generated/(Used) From Operating Activities (A)	(503.11)	944.10	560.72	274.32
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
a. (Purchase) Sale of Fixed Assets	(44.49)	(309.17)	(75.88)	(120.73)

b. Interest & Other Income	0.04	0.62	0.58	4.03
Net Cash Generated/(Used) From Investing Activities (B)	(44.45)	(308.55)	(75.30)	(116.71)
<b>C. CASH FLOW FROM FINANCING ACTIVITES</b>				
a. Interest & Finance Cost	(101.54)	(183.73)	(305.11)	(409.53)
b. Proceeds from issues of equity shares	465.00	-	-	-
c. (Repayments) / proceeds of long term borrowings	(96.60)	(157.20)	(243.60)	(72.73)
d. (Repayments) / proceeds of short term borrowings	282.67	(282.44)	41.07	333.24
Net Cash Generated/(Used) From Financing Activities (C)	549.54	(623.37)	(507.64)	(149.02)
Net Increase / ( Decrease ) in cash and cash equivalents	1.97	12.19	(22.20)	8.58
Cash and cash equivalents at the beginning of the year	41.09	28.90	51.10	42.52
Cash and cash equivalents at the end of the year	43.06	41.09	28.90	51.10
Notes:				
1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement Previous year's figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year.				
2. The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements Appearing in Annexure IV & V respectively.				

<p><b>For KAPISH JAIN &amp; ASSOCIATES</b> Chartered Accountants Firm Reg. No. 022743N</p>  <p>Sd/- <b>CA KAPISH JAIN</b> Partner Membership No. 514162</p>  <p>Place: Delhi Date: 30.01.2024</p>	<p style="text-align: center;"><b>For and on behalf of the Board of Ambey Laboratories Limited</b></p>  <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; text-align: center;">Sd/- <b>Sarina Gupta</b> Director DIN: 087087098</td> <td style="width: 33%; text-align: center;">Sd/- <b>Rishita Gupta</b> Director DIN: 07932723</td> <td style="width: 33%;"></td> </tr> <tr> <td style="text-align: center;">Sd/- <b>Rimple Sarin</b> Company Secretary M. No. A66345</td> <td style="text-align: center;">Sd/- <b>Sarvar Alam</b> Chief Financial Officer PAN: BGOPA2094P</td> <td></td> </tr> </table>	Sd/- <b>Sarina Gupta</b> Director DIN: 087087098	Sd/- <b>Rishita Gupta</b> Director DIN: 07932723		Sd/- <b>Rimple Sarin</b> Company Secretary M. No. A66345	Sd/- <b>Sarvar Alam</b> Chief Financial Officer PAN: BGOPA2094P	
Sd/- <b>Sarina Gupta</b> Director DIN: 087087098	Sd/- <b>Rishita Gupta</b> Director DIN: 07932723						
Sd/- <b>Rimple Sarin</b> Company Secretary M. No. A66345	Sd/- <b>Sarvar Alam</b> Chief Financial Officer PAN: BGOPA2094P						

## GENERAL INFORMATION

Our Company was originally incorporated as “Ambey Laboratories Private Limited” on March 20,1985 vide certification of incorporation bearing Corporate Identity No. U74899DL1985PLC020490 under the provision of Companies Act, 1956 issued by the Registrar of Companies, Delhi. For further details, please refer to section titled “Our History and Certain Corporate Matters” beginning on page no. 168 of this Draft Prospectus.

Brief of Company and Issue Information	
<b>Registered &amp; Corporate Office</b>	<p><b>“Ambey Laboratories Limited”</b></p> <p><b><u>Registered Office:</u></b> Ground Floor, Property No.555, Tarla Mohalla, Ghitorni, South West Delhi, New Delhi, Delhi, India -110030</p> <p><b><u>Corporate Office:</u></b> B18/9, DLF Phase -1 Sector 26A, Gurugram-122002, Haryana, India - 122002</p> <p><b>Contact Person:</b> Rimple Sarin  <b>Contact No:</b> 0124-4000788  <b>Email ID:</b> <a href="mailto:cs@ambeylab.com">cs@ambeylab.com</a>; <a href="mailto:investordesks@ambeylab.com">investordesks@ambeylab.com</a>  <b>Website:</b> <a href="http://ambeylab.com">ambeylab.com</a></p>
<b>Date of Incorporation</b>	March 20,1985
<b>Corporate Identification Number</b>	U74899DL1985PLC020490
<b>Registration Number</b>	020490
<b>Company Category</b>	Company Limited by Shares
<b>Company Sub-category</b>	Indian Non-Government Company
<b>Address of Registrar of Companies</b>	<b>Registrar Of Companies</b> Registrar Of Companies, 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019
<b>Designated Stock Exchange</b>	<b>NATIONAL STOCK EXCHANGE OF INDIA LIMITED</b> SME Platform of National Stock Exchange of India Limited (“NSE Emerge”) Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai– 400051
<b>Company Secretary and Compliance Officer</b>	<b>Ms. Rimple Sarin</b> <i>Company Secretary &amp; Compliance Officer</i> <b>Contact No:</b> 0124-4000788 <b>Email ID:</b> <a href="mailto:cs@ambeylab.com">cs@ambeylab.com</a> <b>Website:</b> <a href="http://ambeylab.com">ambeylab.com</a>
<b>Chief Financial Officer (CFO)</b>	<b>Mr. Sarvar Alam</b> <i>Chief Financial Officer</i> <b>Contact No:</b> 0124-4000788 <b>Email ID:</b> <a href="mailto:sarvaralam@ambeylab.com">sarvaralam@ambeylab.com</a> <b>Website:</b> <a href="http://ambeylab.com">ambeylab.com</a>

<b>Statutory &amp; Peer Review Auditor of the company</b>	<b>M/s Kapish Jain &amp; Associates, Chartered Accountant</b> <b>Address:</b> B-504, Statesman House, 148, Barakhamba Road, New Delhi- 110001 <b>Tel. No:</b> +91-11-43708987 <b>E-mail ID:</b> <a href="mailto:ca.kapish@gmail.com">ca.kapish@gmail.com</a> <b>Contact Person:</b> CA Kapish Jain <b>Membership No.</b> 514162 <b>Firm Registration No:</b> 022743N <b>Peer Review Certificate No:</b> 011804
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#### **Board of Directors of Our Company:**

Our Company's Board comprises of the following Directors:

Sl. No.	Name of Directors	Designation	DIN	Address
1.	Sarina Gupta	Whole Time Director	08787098	Apartment-1006A, The Magnolias, DLF Phase V, Gurgaon, Gurgaon Haryana-122009
2.	Rishita Gupta	Non-Executive Director	07932723	Flat No 611A, Aralias, Golf Course Road, Sector-42, DLF Golf Links, Sikanderpur Ghosi (68), Gurgaon, Haryana-122002
3.	Sandeep Bansal	Non-Executive Director	05305244	Flat No: Gbe- 022, New Town Heights-91, DLF Garden City, Sector-91, Gurugram-122505, India
4.	Abdul Quadir	Independent Director	09781856	13, Parasa Khurd, Tarkulwa Tiwari, Maharajganj, Uttar Pradesh-273302
5.	Roni Soni	Independent Director	07504677	RZ 7A/29 Puran Nagar, Gali Number 03, Palam Colony, South West Delhi - 110045

For further details of the Board of Directors, please refer to the Section titled ***“Our Management”*** beginning on page no. 172 of this draft prospectus.

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

LEAD MANAGER	REGISTRAR TO THE ISSUE
 <p><b>FAST TRACK FINSEC PRIVATE LIMITED</b>  <b>SEBI Registration No.</b> INM000012500  <b>Address:</b> 116, 1st Floor, New Delhi House, 148, Barakhamba Road, New Delhi - 110 001  <b>Tel No.:</b> +91-11-43029809  <b>Contact Person:</b> Mr. Vikas Kumar Verma  <b>Email:</b> <a href="mailto:yikasverma@ftfinsec.com">yikasverma@ftfinsec.com</a>  <a href="mailto:investor@ftfinsec.com">investor@ftfinsec.com</a>  <b>Website:</b> <a href="http://www.ftfinsec.com">www.ftfinsec.com</a></p>	 <p><b>LINK INTIME PRIVATE LIMITED</b>  <b>SEBI Registration No.:</b> INR000004058  <b>Address:</b> C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai, Maharashtra – 400083, India  <b>Tel No:</b> +91 8108114949  <b>Email Id:</b> - <a href="mailto:ambeylab.ipo@Linkintime.co.in">ambeylab.ipo@Linkintime.co.in</a>  <b>Website:</b> <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>  <b>Contact Person:</b> Ms. Shanti Gopalkrishnan</p>
MARKET MAKER	BANKER TO THE COMPANY
 <p><b>Name:</b> Nikunj Stock Brokers Limited  <b>Address:</b> 'A-92, Ground Floor, Kamla Nagar, New Delhi-Delhi110007  <b>Contact No:</b> 011- 49863108/ 91-9999492292  <b>E-mail:</b><a href="mailto:complianceofficer@nikunjonline.com">complianceofficer@nikunjonline.com</a>  <b>Website:</b><a href="http://www.nikunjonline.com">www.nikunjonline.com</a>  <b>Contact person:</b> Mr. Anupam Suman  <b>SEBI Registration No:</b> INZ000169335</p>	 <p><b>AU SMALL FINANCIAL BANK</b>  <b>Address:</b> Shop No. G2 &amp; B2, The shopping Mall, Arjun Marg, DLF Phase 1, Section 26A, Gurgaon, Haryana - 122002  <b>Tele. No.:</b> +91-8130087283  <b>E-mail:</b> Himanshu.tomar@aubank.in  <b>Website:</b> <a href="http://www.aubank.in">www.aubank.in</a>  <b>Contact Person:</b> Mr. Himanshu Tomar</p>
ADVISORS TO THE COMPANY	
 <p><b>Dolce Vita Trusteeship Services LLP</b>  <b>Address:</b> M8/31, Jhulelal Apartment, Pitampura, New Delhi- 110034  <b>Tel No.</b> - 91-9818382488  <b>Email:</b> <a href="mailto:shammi@dolcevitatrusteess.com">shammi@dolcevitatrusteess.com</a>  <b>Website:</b> <a href="http://www.dolcevitatrusteess.com">www.dolcevitatrusteess.com</a>  <b>Contact Person:</b> Mr. Shammi Khanna</p>	 <p><b>Hexaxis Advisors Limited</b>  <b>Address:</b> 40, RPS, Sheikh Sarai Phase-I, Malviya Nagar, New Delhi- 110017  <b>Tel No.</b> 011-40503037  <b>Email:</b> <a href="mailto:pankaj@hexaxis.in">pankaj@hexaxis.in</a>  <b>Website:</b> <a href="http://www.hexaxis.in">www.hexaxis.in</a>  <b>Contact Person:</b> Mr. Pankaj K. Gupta</p>
PEER REVIEW/ STATUTORY AUDITOR	LEGAL ADVISOR TO THE ISSUE
<p><b>M/s KAPISH JAIN &amp; ASSOCIATES, CHARTERED ACCOUNTANT</b>  <b>Address:</b> B-504, Statesman House, 148, Barakhamba Road, New Delhi- 110001  <b>Tel. No:</b> +91-11-43708987  <b>E-mail ID:</b> <a href="mailto:ca.kapish@gmail.com">ca.kapish@gmail.com</a>  <b>Contact Person:</b> CA Kapish Jain  <b>Membership No.</b> 514162  <b>Firm Registration No:</b> 022743N  <b>Peer Review Certificate No:</b> 011804</p>	<p><b>ADV. AMAN THUKRAL</b>  <b>Address:</b> 202, Tower 8, Sector-Pi-II, Unitech Horizon, Greater Noida – 201310  <b>Mobile. No:</b> +91-9891602513  <b>Email Id:</b> amanthukral@outlook.com  <b>Contact Person:</b> Adv. Aman Thukral  <b>Enrollment no.:</b> D/3041/2018</p>

**BANKERS TO THE ISSUE, REFUND BANKER AND SPONSOR BANK**



**ICICI BANK LIMITED**

**SEBI Registration No. INBI00000004**

**Address:** Capital Market Division, 5th Floor, HT Parekh Marg, Churchgate, Mumbai – 400020

**Tele. No.:** 022- 68052182

**E-mail:** ipocmg@icicibank.com

**Website:** www.icicibank.com

**Contact Person:** Mr. Varun Badai

**INVESTOR GRIEVANCES:**

Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Issue and/or the Lead Manager, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc. For all Issue related queries and for redressal of complaints, Applicants may also write to the Lead Manager. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Lead Manager, who shall respond to the same.

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

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Applicant whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹100 or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Lead Manager shall compensate the investors at the rate higher of ₹100 or 15% per annum of the application amount.

**Statement of Inter Se Allocation of Responsibilities**

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

### **Self-Certified Syndicate Banks (“SCSBs”)**

The lists of banks that have been notified by SEBI to act as SCSB for the ASBA process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>.

For details of the Designated Branches which shall collect Application Forms, please refer to the above-mentioned SEBI link.

### **Issuer Banks for UPI**

In accordance with UPI Circulars, RIIs applying via UPI Mechanism may apply through the SCSBs and mobile applications, whose names appear on the website of SEBI

(<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>), as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as ‘Annexure A’ to the SEBI circular, bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019

### **Registered Brokers**

Bidders can submit Bid cum Application Forms in the Offer using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time. For details on Registered Brokers, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>

### **Brokers to This Issue**

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

### **Registrar to Issue and Share Transfer Agents**

The list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, as updated from time to time.

### **Collecting Depository Participants**

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

### **PEER REVIEWED STATUTORY AUDITOR TO THE COMPANY**

**Name:** M/s Kapish Jain & Associates, Chartered Accountant

**Address:** B-504, Statesman House, 148, Barakhamba Road, New Delhi- 110001

**Tel:** +91-11-43708987

**Peer Review Certificate No:** 011804

**Firm Registration No:** 022743N



**Email:** [ca.kapish@gmail.com](mailto:ca.kapish@gmail.com)

M/s Kapish Jain & Associates, Chartered Accountant holds a peer review certificate no. 011804 dated 8<sup>th</sup> August, 2019 issued by the Institute of Chartered Accountants of India. The said peer review certificate is valid till 7<sup>th</sup> August, 2024.

### **Credit Rating**

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

### **Trustees**

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

### **Debenture Trustees**

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

### **IPO Grading**

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

### **Monitoring Agency**

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

### **Appraising Entity**

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

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

The Draft Red Herring Prospectus is being filed with the NSE Stock Exchange of India, Jeevan Vihar Building,  
4th Floor, Road Area, 3, Sansad Marg, Janpath, Connaught Place, New Delhi, India.

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer

Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of

SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/Prospectus will be filed online through SEBI Intermediary

Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 would be filed with the RoC at its office through the electronic portal at <http://www.mca.gov.in> and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC at its office and through the electronic portal at <http://www.mca.gov.in>

## Book Building Process

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation

with the Book Running Lead Manager in accordance with the Book Building Process, and advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Hindi Edition

of Regional newspaper [●] where our registered office is situated at least two working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company, in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

- Our Company;
- The Book Running Lead Manager in this case: Fast Track Finsec Private Limited,
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with NSE and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Issue and;
- The Designated Intermediaries and Sponsor bank

The SEBI (ICDR) Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations. The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLM allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “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 Issue Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to

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

the Issue Price. All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank accounts which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spillover from any other category or a combination of categories

at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

**All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount)**

**at any stage. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after**

**the Anchor Investor Bid/Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.**

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where allotment to each Retail Individual

Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under-subscription,

if any, in any category, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue

of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks

(SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue may use either Application Supported

by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with

Application Supported by Blocked Amount for making application. For details in this regards, specific attention

are invited to the chapter titled “Issue Procedure” beginning on page 296 of the Draft Red Herring Prospectus.

The process of Book Building under the SEBI (ICDR) Regulations is subject to change from time to time and

the investors are advised to make their own judgment about investment through this process prior to making a

Bid or application in the Issue.

For further details on the method and procedure for Bidding, please see section entitled “Issue Procedure” on page 296 of this Draft Red Herring Prospectus.

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

For an illustration of the Book Building Process and the price discovery process, please refer to the chapter titled “Issue Procedure” on page 296 of this Draft Red Herring Prospectus.

### **Issue Programme**

Issue Opening Date	[●]
Issue Closing Date	[●]
Finalization of Basis of Allotment with NSE Emerge	[●]
Initiation of Allotment / Refunds/ unblocking of ASBA Accounts	[●]
Credit of Equity Shares to demat accounts of the Allottees	[●]
Commencement of trading of the Equity Shares on NSE Emerge	[●]

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

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange

are taken within 3 Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws. Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 A.M. to 3.00 P.M. (IST) for retail and non-retail Bidders. The time for applying for the Retail Individual Applicant on Bid/Issue Closing Date may be extended in consultation with the BRLM, RTA and NSE Emerge taking into account the total number of applications received up to the closure of timings.

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

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Bid Cum Application Forms prior to the Bid/Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs/ RTAs / DPs / stock brokers, as the case may be, for the rectified data.

### Expert Opinion

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

### Change in Auditors during the last three (3) years

Following changes has been done in the last 3 years:

Auditor	Date of Appointment	Date of Resignation	Reason for change
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M/s Sastry K Anandam & Co. LLP Address: M56 B, LGF, Shop No. 5, Malviya Nagar, New Delhi, Delhi - 110017 Email: cakk1984@gmail.com Firm Registration No.: 000179N/N500051	30/09/2019	22/08/2022	Due to demerger of the Auditors Firm
M/s K K Baranwal & Associates Address: B-62, 2 <sup>nd</sup> Floor, Sector - 8, Dwarka, Delhi - 110075 Email: cakk1984@gmail.com Firm Registration No.: 024207N	01/04/2021	31/03/2023	Due to Completion of Term
M/s Kapish Jain & Associates Associates Address: 504, B Wing, Statesman House, 148 Barakhamba Road, New Delhi- 110001 Email: ca.kapish@gmail.com Firm Registration No.: 022743N Peer Review Number: 011804	30/09/2023	NA	NA

## WITHDRAWAL OF THE ISSUE

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one (1) day of receipt of such notification. Our Company shall also promptly inform NSE Emerge on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals from NSE Emerge, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Prospectus.

## Underwriter

In terms of Regulation 260 (1) of the SEBI (ICDR) Regulations, 2018, the initial public offer shall be underwritten for hundred per cent (100%) of the offer and shall not be restricted up to the minimum subscription level and as per sub-regulation (2) The lead manager(s) shall underwrite at least fifteen per cent of the issue size on their own account(s).

Our Company and Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated [●] and pursuant to the terms of the underwriting agreement, obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being offered through this Issue.

Name, Address, Telephone, and Email of the Underwriter	Indicated no. of Equity Shares to be Underwritten	Amount Underwritten	% of the total Issue Size Underwritten
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<b>FAST TRACK FINSEC PRIVATE LIMITED</b> <b>Address:</b> 116, 1st Floor, New Delhi House, 27, Barakhamba Road, New Delhi - 110001 <b>Tel No:</b> +91-11-43029809 <b>Website:</b> <a href="http://www.ftfinsec.com">www.ftfinsec.com</a> <b>Email:</b> <a href="mailto:mb@ftfinsec.com">mb@ftfinsec.com</a> ; <b>Contact Person:</b> Mr. Vikas Kumar Verma <b>SEBI Registration No:</b> INM000012500	[●]	[●]	[●]
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\*Includes 3,12,000 Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker vide their agreement dated [●] in order to comply with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, as amended.

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

#### Details of Market Making Arrangement for This Issue

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

<b>Name</b>	Nikunj Stock Brokers Limited
<b>Address</b>	A-92, Ground Floor, Kamla Nagar, New Delhi-110007
<b>Telephone</b>	011- 49863108/ 91-8506922981
<b>E-mail</b>	<a href="mailto:complianceofficer@nikunjonline.com">complianceofficer@nikunjonline.com</a>
<b>Website:</b>	<a href="http://www.nikunjonline.com">www.nikunjonline.com</a>
<b>Contact Person</b>	Mr. Anupam Suman
<b>SEBI Registration No</b>	INZ000169335

Nikunj Stock Brokers Limited, registered with NSE Emerge, will act as the market maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations.

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

Following is a summary of the key details pertaining to the Market-making arrangement:

- The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for every blackout period when the quotes are not being offered by the Market Maker(s).
- The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the NSE Emerge (SME platform of NSE) and SEBI from time to time.

- The minimum depth of the quote shall be ₹1,00,000/-. However, the investors with holdings of value less than ₹ 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME platform of NSE (in this case currently the minimum trading lot size is [●] equity shares; however, the same may be changed by the SME platform of NSE from time to time).
- After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of the Issue Size, the Market Maker will resume providing 2-way quotes.
- There shall be no exemption/ threshold on the downside. However, in the event the Market Maker exhausts his inventory through the market making process, NSE may intimate the same to SEBI after due verification.
- Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- On the first day of the listing, there will be a pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
- There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- The Market Maker(s) shall have the right to terminate said arrangement by giving a 3 (three) months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible for appointing a replacement Market Maker(s) and executing a fresh arrangement. In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the BRLM to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261(1) of the SEBI (ICDR) Regulations, 2018, as amended. Further, our Company and the BRLM reserve the right to appoint other Market Makers either as a replacement for the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers not exceeding five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our office from 10.00 A.M. to 5.00 P.M. on working days.
- Risk containment measures and monitoring for Market Makers: The SME portal of NSE will have all margins, which are applicable on the NSE main board viz., Mark-to-Market, Value-At-Risk

(VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time to time.

- Punitive Action in case of default by Market Makers: NSE Emerge Exchange will monitor the obligations on a real-time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties/ fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties/ fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market-making activities/ trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
- Price Band and Spreads: The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
- Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market-making process have been made applicable, based on the Issue size and as follows:

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

SEBI circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size upto ₹ 250 crores, the applicable price bands for the first day shall be:

- In case an equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- In case the equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue Price.

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## CAPITAL STRUCTURE

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

*(Rs. in Lakhs except No. of shares)*

S. No.	Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
A.	<b>Authorized Share Capital</b>		
	[2,50,00,000] Equity shares of ₹10/- <sup>(1)</sup> each	2500.00	[•]
B.	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Offer</b>		
	[1,86,88,819] Equity shares of ₹10/- each	1868.88	[•]
C.	<b>Present issue in terms of the draft prospectus<sup>(2)</sup></b>		
	65,52,000 Equity Shares of ₹10/- each for cash at a price of ₹ [•]/-per share	[•]	[•]
	Consisting of		
	(a) Fresh issue of 62,40,000 Equity Shares of face value of Rs.10/- each at a premium of Rs. [•]/- per share	[•]	[•]
	b) Offer for Sale of 3,12,000 Equity Shares of face value of Rs.10/- each at a premium of Rs. [•]/- per share	[•]	[•]
<b>Which Comprises of:</b>			
D.	<b>Reservation for Market Maker portion</b>		
	[•] Shares of ₹10/- each for cash at a price a ₹ [•]/- per Equity Share	[•]	[•]
E.	<b>Net Issue to the Public</b>		
	[•] Equity Shares of ₹10/- each for cash at a price a ₹ [•]/- per Equity Share, out of which:	[•]	[•]
	[•] Equity Shares of ₹10/- each for cash at a price a ₹ [•]/-per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to ₹2.00 lakhs	[•]	[•]
	[•] Equity Shares of ₹10/- each for cash at a price a ₹ [•]/- per Equity Share will be available for allocation for allotment to Other Investors of above ₹2.00 lakhs	[•]	[•]
F.	<b>Paid up Equity capital after the Issue</b>		
	[•] Equity Shares of ₹10/- each		[•]
G.	<b>Securities Premium Account</b>		
	Before the Issue	371.06	
	After the Issue		[•]

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

(2) The present Issue of 65,52,000 Equity Shares in terms of draft prospectus has been authorized pursuant to a resolution of our Board of Directors dated December 26, 2023 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting of the members held on January 24, 2024.

## NOTES TO THE CAPITAL STRUCTURE:

### History of change in authorized Equity Share capital of Our Company:

- a) The Authorized Share Capital of Rs. 5,00,000 (Rupees Five Lakh only) consisting of 5,000 Equity shares of face value of Rs. 100/- each was increased to Rs. 7,50,000 (Rupees Seven Lakh Fifty Thousand only) consisting of 7500 Equity Shares of face value of Rs.100/- each pursuant to a resolution of the shareholders dated December 04, 1990.
- b) The Authorized Share Capital of Rs. to Rs. 7,50,000 (Rupees Seven Lakh Fifty Thousand only) consisting of 7500 Equity Shares of face value of Rs. 100/- each was increased to Rs. 15,00,000 (Rupees Fifteen Lakh only) consisting of 15,000 Equity Shares of face value of Rs.100/- each pursuant to a resolution of the shareholders dated November 20, 1995.
- c) The Authorized Share Capital of Rs. 15,00,000 (Rupees Fifteen Lakh only) consisting of 15,000 Equity Shares of face value of Rs. 100/- each was increased to Rs. 100,00,000 (Rupees One Crore only) consisting of 100,000 Equity Shares of face value of Rs.100/- each pursuant to a resolution of the shareholders dated July 05, 2004.
- d) The Authorized Share Capital of Rs. 100,00,000 (Rupees One Crore only) consisting of 100,000 Equity Shares of face value of Rs. 100/- each was increased to Rs. 150,00,000 (Rupees One Crore Fifty Lakh only) consisting of 150,000 Equity Shares of face value of Rs.100/- each pursuant to a resolution of the shareholders dated September 16, 2005.
- e) The Authorized Share Capital of Rs. 150,00,000 (Rupees One Crore Fifty Lakh only) consisting of 150,000 Equity Shares of face value of Rs. 100/- each was increased to Rs. 250,00,000 (Rupees Two Crore Fifty Lakh only) consisting of 250,000 Equity Shares of face value of Rs.100/- each pursuant to a resolution of the shareholders dated February 09, 2008.
- f) The Authorized Share Capital of Rs. 250,00,000 (Rupees Two Crore Fifty Lakh only) consisting of 250,000 Equity Shares of face value of Rs. 100/- each was increased to Rs. 400,00,000 (Rupees Four Crore only) consisting of 400,000 Equity Shares of face value of Rs.100/- each pursuant to a resolution of the shareholders dated December 30, 2010.
- g) The Authorized Share Capital of Rs. 400,00,000 (Rupees Four Crore only) consisting of 400,000 Equity Shares of face value of Rs. 100/- each was increased to Rs. 500,00,000 (Rupees Five Crore only) consisting of 500,000 Equity Shares of face value of Rs.100/- each pursuant to a resolution of the shareholders dated March 27, 2012.
- h) The Authorized Share Capital of Rs. 500,00,000 (Rupees Five Crore only) consisting of 500,000 Equity Shares of face value of Rs. 100/- each was increased to Rs. 700,00,000 (Rupees Seven Crore only) consisting of 700,000 Equity Shares of face value of Rs.100/- each pursuant to a resolution of the shareholders dated May 29, 2012.
- i) The Authorized Share Capital of Rs. 700,00,000 (Rupees Seven Crore only) consisting of 700,000 Equity Shares of face value of Rs. 100/- each was increased to Rs. 200,000,000 (Rupees Twenty Crore only) consisting of 20,00,000 Equity Shares of face value of Rs.100/- each pursuant to a resolution of the shareholders dated March 04, 2022.
- j) The Authorized Share Capital has been subdivided from the nominal value of Rs. 100/- each to nominal value of Rs. 10/- each with the equity shares of the company divided into 2,00,00,000 equity shares pursuant to a resolution of the shareholders dated September 27, 2023.
- k) The Authorized Share Capital of Rs. 200,000,000 (Rupees Twenty Crore only) consisting of 20,000,000 Equity Shares of face value of Rs. 100/- each was increased to Rs. 250,000,000 (Rupees

Twenty-Five Crore only) consisting of 25,000,000 Equity Shares of face value of Rs.100/- each pursuant to a resolution of the shareholders dated November 29, 2023.

1. *Details of changes in Paid up Equity Share Capital of Our Company since incorporation:*

Date of Allotment	No. of Equity Shares	Face Value (In ₹)	Issue Price (In ₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-up Capital (in ₹)	Cumulative Share Premium (in ₹)
Incorporation	20	100	100	Cash	Subscription To MOA <sup>(1)</sup>	20	2000	0
05.08.1986	980	100	100	Cash	Further Allotment <sup>(2)</sup>	1000	100000	0
29.03.1989	1770	100	100	Cash	Further Allotment <sup>(3)</sup>	2770	277000	0
27.03.1990	1100	100	100	Cash	Further Allotment <sup>(4)</sup>	3970	397000	0
29.03.1991	650	100	100	Cash	Further Allotment <sup>(5)</sup>	4520	452000	0
15.03.1995	950	100	100	Cash	Further Allotment <sup>(6)</sup>	5470	547000	0
27.02.1996	4000	100	100	Cash	Further Allotment <sup>(7)</sup>	9470	947000	0
31.03.2005	59500	100	100	Cash	Further Allotment <sup>(8)</sup>	68970	6897000	0
20.09.2005	71250	100	100	Cash	Further Allotment <sup>(9)</sup>	140220	14022000	0
09.11.2005	9000	100	100	Cash	Further Allotment <sup>(10)</sup>	142720	14272000	0
30.01.2006	780	100	100	Cash	Further Allotment <sup>(11)</sup>	143500	14350000	0
31.03.2009	44350	100	100	Cash	Further Allotment <sup>(12)</sup>	194350	19435000	0
31.12.2010	200000	100	100	Cash	Further Allotment <sup>(13)</sup>	394350	39435000	0
31.03.2012	95000	100	100	Cash	Further Allotment <sup>(14)</sup>	489350	48935000	0

25.03.2022	1285592	100	100	Other than Cash	Private Placement <sup>(15)</sup>	1774942	177494200	0
11.10.2023	646468	10	49.50	Cash	Private Placement <sup>(16)</sup>	18395888	183958880	0
25.10.2023	292931	10	49.50	Cash	Private Placement <sup>(17)</sup>	18688819	186888190	0

*Notes to above increase in capital / change in shareholders, in sequential order:*

**A. Changes in Equity Share Capital of our Company:**

**(1) Allotment on Initial subscribers to the Memorandum of Association dated March 20, 1985**

Sl.No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Number of Equity Shares allotted
1.	Anil Kumar Gupta	100	100	10
2.	Kewal Sehgal	100	100	10
<b>Total</b>				<b>20</b>

**(2) The Company allotted 980 Equity Shares of face value of Rs. 100/- each at par for cash as per the details given below:**

Sl.No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Number of Equity Shares allotted
1	Kewal Sehgal Gupta	100	100	240
2	Anil Gupta	100	100	240
3	Sarbati Devi Gupta	100	100	200
4	Achla Gupta	100	100	100
5	Badri Nath Sehgal	100	100	100
6	Rashmi Sehgal	100	100	100
<b>Total</b>				<b>980</b>

**(3) The Company allotted 1770 Equity Shares of face value of Rs. 100/- each at par for cash as per the details given below:**

Sl.No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Number of Equity Shares allotted
1	Badri Nath Sehgal	100	100	120
2	Suman Kumari Bansal	100	100	250
3	Raj Kumar Gupta	100	100	350

4	Ms. Shashi Gupta	100	100	200
5	Vijay Kumar Agarwal	100	100	300
6	Raj Rani Gupta	100	100	300
7	Himanshu Choudhry	100	100	250
<b>Total</b>				1770

- (4) The Company allotted 1100 Equity Shares of face value of Rs. 100/- each at par for cash as per the details given below:

Sl.No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Number of Equity Shares allotted
1	Nathu Ram	100	100	200
2	Som Prakash	100	100	200
3	Nanak Chand Jain	100	100	250
4	Dhanpat Singh	100	100	200
5	Dhanraj	100	100	150
6	Neeru Gupta	100	100	100
<b>Total</b>				1100

- (5) The Company allotted 650 Equity Shares of face value of Rs. 100/- each at par for cash as per the details given below:

Sl.No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Number of Equity Shares allotted
1	Mohan Lal Gupta	100	100	650
<b>Total</b>				650

- (6) The Company allotted 950 Equity Shares of face value of Rs. 100/- each at par for cash as per the details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Number of Equity Shares allotted
1	Rajendera Prasad	100	100	150
2	Mahender Kumar Jain	100	100	150
3	Ram Kishore	100	100	350
4	Naresh Kumar	100	100	300
<b>Total</b>				950

- (7) The Company allotted 4000 Equity Shares of face value of Rs. 100/- each at par for cash as per the details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Number of Equity Shares allotted
1	Krishan Dutt	100	100	1000
2	Kanchan Sharma	100	100	1000
3	Ashok Kumar	100	100	2000
<b>Total</b>				4000

- (8) The Company allotted 59500 Equity Shares of face value of Rs. 100/- each at par for cash as per the details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Number of Equity Shares allotted
1	Yogesh Garg	100	100	11000
2	Yogesh Kumar Garg HUF	100	100	7500
3	Om Prakash Gupta & Sons (HUF)	100	100	11000
4	Anil Kumar Agarwal	100	100	13000
5	Sandhya Aggarwal	100	100	10000
6	Chander Mani	100	100	5000
7	Leelawati	100	100	2000
<b>Total</b>				59500

- (9) The Company allotted 71250 Equity Shares of face value of Rs. 100/- each at par for cash as per the details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Number of Equity Shares allotted
1	Yogesh Garg	100	100	11000
2	Yogesh Kumar Garg HUF	100	100	7500
3	Om Prakash Gupta & Sons (HUF)	100	100	11000
4	Anil Kumar Agarwal	100	100	13000
5	Sandhya Aggarwal	100	100	10000
6	Chander Mani	100	100	5000
7	Leelawati	100	100	2000
<b>Total</b>				59500

- (10) The Company allotted 9000 Equity Shares of face value of Rs. 100/- each at par for cash as per the details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Number of Equity Shares allotted
1	Kewal Sehgal	100	100	2500
2	Anil Gupta	100	100	2500
3	Charu Garg	100	100	4000
<b>Total</b>				9000

- (11) The Company allotted 780 Equity Shares of face value of Rs. 100/- each at par for cash as per the details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Number of Equity Shares allotted
1	Arpit Gupta	100	100	195
2	Anil Gupta HUF	100	100	195
3	Rashmi Sehgal	100	100	195
4	Nidhi Sehgal	100	100	195
<b>Total</b>				780

- (12) The Company allotted 44350 Equity Shares of face value of Rs. 100/- each at par for cash as per the details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Number of Equity Shares allotted
1	Goyal Granites Private Limited	100	100	12250
2	Swati Agencies Private Limited	100	100	11000
3	Alok Bansal	100	100	4000
4	Dvanker Infotech Private Limited	100	100	9350
5	Ashok Bansal	100	100	2250
6	Mukesh K Bansal	100	100	1000
7	Deepika Bansal	100	100	1000
8	Amit Modi HUF	100	100	3500
<b>Total</b>				44350

- (13) The Company allotted 200000 Equity Shares of face value of Rs. 100/- each at par for cash as per the details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Number of Equity Shares allotted
1	Ambey Laboratories	100	100	25500
2	Archit Gupta	100	100	5000
3	Kewal Sehgal	100	100	37500
4	Rashmi Sehgal	100	100	12000
5	Ambey Capital Private Limited	100	100	70000
6	Rakshit Sehgal	100	100	20000
7	Anil Gupta	100	100	30000
<b>Total</b>				200000

- (14) The Company allotted 95000 Equity Shares of face value of Rs. 100/- each at par for cash as per the details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Number of Equity Shares allotted
1	Anil Gupta	100	100	95000
<b>Total</b>				95000

- (16) The Company allotted 646468 Equity Shares of face value of Rs. 10/- each at the issue price of 49.50 for cash as per the details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Vipul Bansal	10	49.50	Private Placement	50505
2	Suvarna Jindal	10	49.50	Private Placement	50505
3	Mobikasa Pvt. Ltd.	10	49.50	Private Placement	50505
4	Bharat Sachdev	10	49.50	Private Placement	50505
5	Rajesh Jindal	10	49.50	Private Placement	10101
6	Shriniwas Bansal	10	49.50	Private Placement	50505
7	Arvind Kumar Baid	10	49.50	Private	10101



				Placement	
8	Prem Kumar Jain	10	49.50	Private Placement	20202
9	Santosh Aggarwal	10	49.50	Private Placement	50,506
10	Shilpi Agarwal	10	49.50	Private Placement	20202
11	Fincos Technology Solutions Private Limited	10	49.50	Private Placement	50,506
12	Gautam Mishra	10	49.50	Private Placement	20202
13	Aarushi Jain	10	49.50	Private Placement	50,505
14	Suryakant Gupta	10	49.50	Private Placement	50,506
15	Rajender Kumar Aggarwal	10	49.50	Private Placement	20,202
16	Naresh Kumar Bansal	10	49.50	Private Placement	20,202
17	Oregano Life Private Limited	10	49.50	Private Placement	50,506
18	Ratanjeet Singh	10	49.50	Private Placement	10,101
19	Pranita Singhal	10	49.50	Private Placement	10,101
<b>Total</b>					<b>6,46,468</b>

- (17) **The Company allotted 292931 Equity Shares of face value of Rs. 10/- each at the issue price of INR 49.50/- for cash as per the details given below:**

Sl.No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Tvisha Corporate Advisors LLP	10	49.50	Private Placement	20,202
2	Mr Brajesh Kumar Gupta	10	49.50	Private Placement	50,506
3	Mr. Pradeep Jain	10	49.50	Private Placement	50,505
4	Unlisted Assets Private Limited	10	49.50	Private Placement	1,51,516
5	Ms. Namita Khanna	10	49.50	Private Placement	20,202
<b>Total</b>					<b>2,92,931</b>

**B. Prerference share capital history of our Company:**

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

**C. Equity shares issued for consideration other than cash:**

As on the date of this draft prospectus, Our Company has issued Equity shares for consideration other than cash as mentioned below:

Date of Allotment	Number of Equity Shares allotted	Issue Price (In ₹)	Consideration	Reason for Allotment	Name of the Allottee
25-03-2022	1285592	100	Other than Cash	Conversion of unsecured Loan	Anil Gupta
					Archit Gupta
					Arpit Gupta
					Achal Gupta
					Sarina Gupta
					Rishita Gupta
					Anil Gupta HUF

**D. Revaluation of our assets:**

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

**E. If shares have been issued in terms of any scheme approved under section 391-394 of the Companies Act, 1956 or section 230-234 of the Companies Act, 2013:**

Our Company has not issued any Equity Shares in terms of any scheme approved under section 391-394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013.

**F. If shares have been issued under one or more employee stock option schemes:**

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

**G. Issue of Equity Shares in the last one year below the Issue Price:**

Except the Allotment made on October 11, 2023 and October 25, 2023, Our Company has not issued Equity shares at price below the Issue price within last one year from the date of the Draft Red Herring Prospectus.

**Share Holding Pattern**

**H. The Details of Shareholding of Promoters of our Company;**

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 shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Share holding as a % of total no. of shares (calculated as per SCR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities(IX)		No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Share holding, 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(XI V)		
								No of Voting Rights				Total as a% of (A+B + C)	No. (a)	As a% of total Shares held (b)	No.(a)		As a% of total Shares held (b)	
									Total									

								Class: (Equity Shares, Fully Paid up)	Class eg: y									
(A)	Promoter & Promoter Group	2	17749420	0	0	17749420	94.97	17749420		17749420	94.97	0	94.97	0		0		17749420
(B)	Public	27	939399	0	0	939399	5.03	939399		939399	5.03	0	5.03	0		0		939399
(C)	Non Promoter- Non Public	0	0	0	0	0	0	0		0	0	0	0	0		0		0
(C1)	Shares underlying DRs	0	0	0	0	0	0	0		0	0	0	0	0		0		0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0		0	0	0	0	0		0		0
	Total	29	18688819	0	0	18688819	100.00	18688819		18688819	100.00	0	100.00	0		0		18688819

- a) List of Major Shareholders holding 1% or more of the current paid-up equity share capital aggregating to at least 80% of capital of our Company as on the date of the draft red herring prospectus:

Sl. No.	Name of the allottee	Number of Equity Shares held	% Of the Pre-Issue paid-up capital
1.	Sarina Gupta	1,73,99,180	93.10
2.	Rishita Gupta	3,50,240	1.87
<b>Total</b>		<b>1,77,49,420</b>	<b>94.97%</b>

- b) List of Major Shareholders holding 1% or more of the paid-up equity share capital aggregating to at least 80% of capital of our Company as on a date 10 (Ten) days before the date of the draft red herring prospectus:

Sl. No.	Name of the allottee	Number of Equity Shares held	% Of the Pre-Issue paid-up capital
3.	Sarina Gupta	1,73,99,180	93.10
4.	Rishita Gupta	3,50,240	1.87
<b>Total</b>		<b>1,77,49,420</b>	<b>94.97%</b>

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

Sl. No.	Name of the allottee	Number of Equity Shares held (Adjusted After Split)	% Of the Pre-Issue paid-up capital
1.	Anil Gupta	17,57,170	9.40
2.	Archit Gupta	60,76,820	32.5
3.	Arpit Gupta	61,81,160	33.1
4.	Achla Gupta	17,21,690	9.21
5.	Sarina Gupta	4,64,800	2.48
6.	Rishita Gupta	3,50,240	1.87
7.	Anil Gupta HUF	11,97,540	6.41
<b>Total</b>		<b>1,77,49,420</b>	<b>94.97%</b>

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

Sl. No.	Name of the allottee	Number of Equity Shares held (Adjusted after split)	% Of the Pre-Issue paid-up capital
1.	Anil Gupta	21,92,950	11.73
2.	Archit Gupta	11,46,300	6.13
3.	Arpit Gupta	11,46,300	6.13
4.	Achla Gupta	1,000	0.005

5.	Sarina Gupta	1,00,000	0.54
6.	Rishita Gupta	1,00,000	0.54
7.	Anil Gupta HUF	2,06,950	1.11
<b>Total</b>		<b>48,93,500</b>	<b>26.185%</b>

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**I. Proposal or intention to alter our capital structure within a period of 6 months from the date of opening of the Issue:**

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

**J. The Details of Shareholding of Promoters of our Company (After adjustment for split):**

Sr. No.	Name of the Promoter	Date of Allotment/transfer	Nature of Issue & reason for allotment	No. of Equity Shares	Face Value (Rs.)	Issue/consideration (Rs.)	Consideration	Date when the shares were made fully paid up	Percentage of Pre Issue capital	Percentage of Post Issue capital	Number of Pledged shares	Percentage of Pledged shares to Total Pre issue Holding
1	Sarina Gupta	01.10.2014	Transfer	500	10	10	Cash	The shares were issued as fully paid-up shares	0.02	[●]	-	-
		10.08.2018	Transfer	99,500	10	10	Cash	The shares were issued as fully paid-up shares	0.53	[●]	-	-

		25.03.2022	Private Placement	364,800	10	10	Conversion of unsecured loan	The shares were issued as fully paid-up shares	1.95	[●]	-	-
		11.09.2023	Transfer	1,69,34,380	10	Nil	Nil	The shares were issued as fully paid-up shares	90.61	[●]	-	-
2	Rishita Gupta	10.08.2018	Transfer	1,00,000	10	10	Cash	The shares were issued as fully paid-up shares	0.54	[●]	-	-
		25.03.2022	Private Placement	2,50,240	10	10	Conversion of unsecured loan	The shares were issued as fully paid-up shares	1.34	[●]	-	-
3.	Archit Gupta	05.08.1986	Transfer	50	10	10	Cash	The shares were issued as fully paid up shares	Negligible	[●]	-	-
		29.06.2005	Transfer	16,000	10	10	Cash	The shares were issued as fully paid up shares	0.08	[●]	-	-
		20.09.2005	Allotment	95,000	10	10	Cash	The shares were issued as fully paid up shares	0.51	[●]	-	-



		12.05.2010	Transfer	1,23,500	10	10	Cash	The shares were issued as fully paid up shares	0.66	[●]	-	-
		31.12.2010	Allotment	50,000	10	10	Cash	The shares were issued as fully paid up shares	0.27	[●]	-	-
		01.10.2014	Transfer	(500)	10	10	Cash	The shares were issued as fully paid up shares	Negligible	[●]	-	-
		10.08.2018	Transfer	8,62,250	10	10	Cash	The shares were issued as fully paid up shares	4.61	[●]	-	-
		23.02.2022	Allotment	1,64,5220	10	10	Conversion of unsecured loan	The shares were issued as fully paid up shares	8.80	[●]	-	-
		18.01.2023	Transfer	32,85,300	10	10	Cash	The shares were issued as fully paid up shares	17.58	[●]	-	-
		11.09.2023	Transfer	(60,76,820 )	10	10	Nil	The shares were issued as fully paid up shares	32.52	[●]	-	-
4.	Arpit Gupta	12.05.2010	Transfer	51,950	10	10	Cash	The shares were issued as fully paid up shares	0.28	[●]	-	-

		10.08.2018	Transfer	10,94,350	10	10	Cash	The shares were issued as fully paid up shares	5.86	[●]	-	-
		25.03.2022	Allotment	17,49,580	10	10	Conversion of unsecured Loan	The shares were issued as fully paid up shares	9.36	[●]	-	-
		18.01.2023	Transfer	32,85,280	10	10	Nil	The shares were issued as fully paid up shares	17.58	[●]	-	-
		11.09.2023	Transfer	(61,81,160 )	10	10	Nil	The shares were issued as fully paid up shares	33.07	[●]	-	-

**K. As on date of this draft red herring prospectus, our Company has 29 (Twenty-Nine) shareholders.**

**L. The aggregate shareholding of the Promoters and Promoter Group and of the directors of the promoters, where the promoter is a body corporate.**

Our Promoters doesn't include any Body Corporate.

The following are the instances of sale or purchase of the Equity Shares by the Promoter Group and/or by the Directors of The Issuer and their immediate relatives within six months immediately preceding the date of filing draft offer document with the NSE.

**Shares Acquired by the Promoters and Promoters Group**

- a. In case of Acquisition by Transfer: 1,76,87,916
- b. In case of Acquisition by Allotment: 61,504

S. No	Name of Person(s)	No. of Equity Shares	Acquisition Date	Face Value (Rs.)	Issue Price (Rs.)
1.	Sarina Gupta	500	01.10.2014	10	10
2.	Sarina Gupta	99,500	10.08.2018	10	10
3.	Sarina Gupta	364,800	25.03.2022	10	10
4.	Rishita Gupta	100,000	10.08.2018	10	10
5.	Rishita Gupta	250,240	25.03.2022	10	10

Details of all financing arrangements whereby the Promoter Group, the Directors of The Issuer and their relatives have financed the purchase by any other person of securities of The Issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Prospectus.: **NIL**

**M. Capital Build-up of our Promoters in our company:**

The current promoter of our Company are Ms. Sarina Gupta, Ms. Rishita Gupta, Mr. Archit Gupta and Mr. Arpit Gupta. Pursuant to Regulation 236 of SEBI (ICDR) Regulations 2018, minimum promoters' contribution should be not less than 20% of the post Issue equity share capital of our Company. As on the date of this draft prospectus, our Promoters collectively hold 1,77,49,420 Equity Shares, which constitutes 94.97% of the Pre-IPO issued, subscribed and paid-up Equity Share capital of our Company and approximately [●] of the post-IPO issued, subscribed and paid-up Equity Share capital assuming full allotment of the shares offered in IPO. The Details are as under:

Particulars	Pre-Issue Shareholding		Post-Issue Shareholding	
	Number of Shares	Percentage holding	Number of Shares	Percentage holding
Sarina Gupta	1,73,99,180	93.10%	[●]	[●]
Rishita Gupta	3,50,240	1.87%	[●]	[●]
Arpit Gupta	Nil	Nil	[●]	[●]
Archit Gupta	Nil	Nil	[●]	[●]
<b>Total Promoters Shareholding</b>	<b>1,77,49,420</b>	<b>94.97%</b>	<b>[●]</b>	<b>[●]</b>

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

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

i) Ms. Sarina Gupta

Date of Allotment/ Acquisition /Sale	Number of Equity Shares	Face Value	Issue/Transfer Price per Equity Share	Nature of Consideration	Nature of transaction	Pre-issue Share Holding%	Post-issue Share Holding %	Pledge
01.10.2014	500	10/-	10/-	Cash	Transfer	93.10%	[●]	0
10.08.2018	99,500	10/-	10/-	Cash	Transfer	93.10%	[●]	0
25.03.2022	3,64,800	10/-	10/-	Cash	Private Placement	93.10%	[●]	0
11.09.2023	1,69,34,380	10/-	10/-	Cash	Transfer	93.10%	[●]	0
<b>Total</b>	<b>1,73,99,180</b>							

ii) Ms. Rishita Gupta

Date of Allotment/ Acquisition/Sale	Number of Equity Shares	Face Value	Issue/Transfer Price per Equity Share	Nature of Consideration	Nature of transaction	Pre-issue Share Holding%	Post-issue Share Holding %	Pledge
10.08.2018	1,00,000	10/-	10/-	Cash	Transfer	0.54%	[●]	0
25.03.2022	2,50,240	10/-	10/-	Cash	Private Placement	1.34%	[●]	0

<b>Total</b>	<b>3,50,240</b>							
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The average cost of acquisition for subscription to Equity Shares by our Promoter is set forth in the table below:

Sl. No.	Name of the Promoter	No. of Equity Shares Held	Avg. Cost of Acquisition (In ₹ per Equity Share)*
1	Sarina Gupta	1,73,99,180	0.21
2	Rishita Gupta	3,50,240	7.17
3	Arpit Gupta	Nil	-
4	Archit Gupta	Nil	-

\*Certificated issued by M/s Kapish Jain & Associated, Chartered Accountant vide certificate dated January 30, 2024

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

#### N. Details of Promoters' Contribution and Lock-in for Three Years

Pursuant to Regulation 236 and 238 of the SEBI ICDR Regulations, an aggregate of at least 20% of the post- Issue Equity Share capital of our Company held by our Promoter shall be locked-in for a period of 3 (three) years from the date of Allotment.

Our Promoter has consented for the inclusion of such number of the Equity Shares held by him, in aggregate, as may constitute 20% of the Post-Issue capital of our Company as Promoters' contribution and the Equity Shares proposed to form part of Promoters' contribution subject to lock-in shall not be disposed of/ sold/ transferred by our Promoter during the period starting from the date of filing this Draft Prospectus with the Stock Exchange until the date of commencement of the lock-in period.

Accordingly, Equity Shares (after adjustment of split) aggregating to 20% of the Post-Issue capital of our Company, held by our Promoters shall be locked-in for a period of three (3) years from the date of Allotment in the Issue as follows:

Date of Allotment/ Acquisition	Date when the shares were made fully paid up	Nature of Issue & reason for allotment	No. of Equity Shares	Face Value (Rs.)	Issue/ acquisition Price (Rs.)	Percentage of Pre-Issue capital (%)	Percentage of Post Issue capital
<b>Ms. Sarina Gupta</b>							
01.10.2014	The shares were issued as fully paid up shares	Transfer	500	10/-	10/-	0.0027	

10.08.2018	The shares were issued as fully paid up shares	Transfer	99,500	10/-	0.1/-	0.53	
25.03.2022	The shares were issued as fully paid up shares	Allotment	3,64,800	10/-	10/-	1.95	
11.09.2023	The shares were issued as fully paid up shares	Transfer	42,33,124	10/-	Nil	22.65	
<b>Sub-Total</b>			46,97,924	10/-		25.14	
<b>Ms. Rishita Gupta</b>							
10.08.2018	The shares were issued as fully paid up shares	Transfer	1,00,000	10/-	0.1/-	0.54	
25.03.2022	The shares were issued as fully paid up shares	Allotment	2,50,240	10/-	10/-	1.34	
<b>Sub-Total</b>			3,50,240			1.87	
<b>Total</b>			<b>50,48,164</b>			<b>27.01</b>	<b>20.00</b>

- The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' Contribution under Regulation 237 of the SEBI ICDR Regulations. In this computation, as per Regulation 237 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:
  - The Equity Shares offered for minimum 20% Promoters' Contribution have not been acquired in the three years preceding the date of this Draft Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;
  - The minimum Promoters' contribution does not include Equity Shares acquired during the one year

preceding the date of this Draft Prospectus at a price lower than the Issue Price;

- No equity shares have been issued to our Promoter upon conversion of a partnership firm during the preceding one year at a price less than the Issue price.
- The Equity Shares held by our Promoter and offered for minimum Promoters' contribution are not subject to any pledge;
- All the Equity Shares of our Company held by our Promoter are in dematerialized form; and
- The Equity Shares offered for Promoter's contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoter for inclusion of its subscription in the Promoter's contribution subject to lock-in.

#### **O. Equity Shares locked-in for one year other than Minimum Promoters' Contribution**

Pursuant to Regulation 238(b) and 239 of the SEBI ICDR Regulations, other than the Equity Shares held by our Promoter, which will be locked-in as minimum Promoters' contribution for three years, all pre-Issue Equity Shares shall be subject to lock-in for a period of one year from the date of Allotment in this Issue.

#### **P. Inscription or Recording of non-transferability**

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

#### **Q. Pledge of Locked in Equity Shares**

Pursuant to Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial bank or public financial institution or systematically important nonbanking finance company or a housing finance company as collateral security for loans granted by them, provided that:

- a) if the equity shares are locked-in in terms of clause (a) of regulation 238, the loan has been granted to the company or its subsidiary(ies) for the purpose of financing one or more of the objects of the issue and pledge of equity shares is one of the terms of sanction of the loan;
- b) if the specified securities are locked-in in terms of clause (b) of regulation 238 and the pledge of specified securities is one of the terms of sanction of the loan.

Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock-in period stipulated in these regulations has expired.

#### **R. Transferability of Locked in Equity Shares**

In terms of Regulation 243 of the SEBI (ICDR) Regulations and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)

Regulations, 2011 as applicable;

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

#### **S. Buy-back and Standby arrangements**

The Company, its Promoter and Promoters Group, its Directors and the Lead Managers have not entered into any buy back arrangements for purchase of the Equity Shares of the Company from any person.

- T. All the Equity Shares offered through the issue shall be fully paid-up.
- U. The details of shareholding, if any, of the Lead Managers and their associates in the Company – **Nil**.
- V. There are no options granted or equity shares issued under any scheme of employee stock option or employee stock purchase of the Company.
- W. None of the Directors or key managerial personnel holds Equity Shares in the Company except as stated in the Chapter titled “**Our Management**” on page 172 of this Draft Prospectus.
- X. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest multiple of minimum lot, during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
- Y. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.
- Z. An applicant cannot make an application for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

As on the date of filing the Draft Prospectus with BSE, there are no outstanding financial instruments or any other right, which would entitle the Promoters or Shareholders or any other person any option to receive equity shares after the Issue. The Company does not have any shares to be allotted, which are outstanding under ESOPs.



At any given point of time there shall be only one denomination of Equity Shares of our Company, unless otherwise permitted by law. The Company shall comply with such disclosures and accounting norms specified by SEBI from time to time.

The Company, the Directors, the Promoter or the Promoter Group shall not make any, direct or indirect, payments, discounts, commissions or allowances under this Issue, except as disclosed in this Draft Prospectus.

There are no Equity Shares against which depository receipts have been issued.

Other than the Equity Shares, there is no other class of securities issued by our Company.

We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of filing of the Draft Prospectus or Prospectus, as the case may be, and the Issue Closing Date are reported to the Stock Exchanges within twenty-four (24) hours of such transactions being completed.

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, the Issue is being made for at least 25% of the Post-Issue Paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time.

Our Promoters and members of our Promoter Group will not participate in this Issue.

The Equity Shares held by the Promoter are not subject to any pledge.

## OBJECTS OF THE ISSUE

Our Company proposes to utilize the funds which are being raised towards funding the following objects and achieve the benefits of listing on the Emerge Platform of NSE.

**The objects of the Issue are: -**

1. To meet out the Working Capital requirements of the Company;
  2. To meet out the General Corporate Purposes; and
  3. To meet out the Issue Expenses.
- (collectively, herein referred as the “Objects”)

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

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

## NET PROCEEDS

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

Particulars	Amount (Rs. In Lakhs)
Gross Proceeds from the Issue	[●]
Less: Issue Related Expenses*	[●]
<b>Net Proceeds of the Fresh Issue (‘Net Proceeds)</b>	<b>[●]</b>

*\*As on 25/01/2023 the Company has incurred a sum of Rs. 15.99 Lakh towards issue expenses.*

## FUND REQUIREMENT & UTILIZATION OF NET PROCEEDS

Our funding requirements are dependent on a number of factors which may not be in the control of our management, changes in our financial condition and current commercial conditions. Such factors may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

We intend to utilize the Net Proceeds in the manner se below:

Sr. No.	Particulars	Amount (Rs. In Lakhs)
1.	To meet out the Working Capital requirements	3,093.20
2.	To meet out the General Corporate Purposes	[●]

3.	Issue Expenses	[●]
	<b>Total Net Proceeds</b>	<b>[●]</b>

## MEANS OF FINANCE

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

Particulars	Amt (Rs in Lakhs)
Net Issue Proceeds	[●]
<b>Total</b>	<b>[●]</b>

*The requirements of the objects detailed above are intended to be funded from the proceeds of the Issue. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue.*

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

## DETAILS OF UTILIZATION OF ISSUE PROCEEDS

### 1. Working Capital Requirements:

(Amount in Lakhs)

Statement of Working Capital Requirements						
	March 31, 2021	March 31, 2022	March 31, 2023	31 October, 2023	March 31, 2024	March 31, 2025
	(Restated)	(Restated)	(Restated)	(Restated)	(Estimated)	(Estimated)
<b>Current Assets</b>						
Inventories	873.23	1,075.09	1,712.03	1,742.76	2,301.00	2,636.22
Current Investments	-	-	60.44	78.12	378.62	379.87
Trade Receivables	696.68	852.44	356.51	2,135.02	1,994.78	3,735.00
Short-term Loans and Advances	237.08	275.02	284.44	407.96	915.00	1,136.25
Other Current Assets	145.01	200.57	297.79	403.99	590.22	635.31
<b>Total (A)</b>	<b>1,962.29</b>	<b>2,403.12</b>	<b>2,711.2</b>	<b>4,767.85</b>	<b>6,179.62</b>	<b>8,522.65</b>
<b>Current Liabilities</b>						
Trade Payables	1,619.44	1,487.48	1,623.04	2,071.01	1,119.08	921.38

Other Current Liabilities	135.44	110.44	98.16	209.59	249.52	309.28
Short-Term Provisions	104.25	185.96	214.43	247.45	180.87	204.39
<b>Total (B)</b>	<b>1,859.13</b>	<b>1,783.87</b>	<b>1,935.62</b>	<b>2,528.05</b>	<b>1,549.47</b>	<b>1,435.05</b>
<i>Net Working Capital (A)-(B)</i>	<b>92.86</b>	<b>619.25</b>	<b>775.58</b>	<b>2,239.80</b>	<b>4,630.15</b>	<b>7,087.60</b>
<b>Funding pattern:</b>						
Short term borrowings	333.24	374.31	91.87	374.54	2,732.61	3,634.59
Proceeds from IPO	-	-	-	-	1,093.20	2,000.00
Internal Accruals	(240.38)	244.93	683.71	1,865.26	804.34	1,453.01

### Basis of Estimation

The Company is primarily engaged in the business of manufacturing and distribution of agriculture product and home hygiene Product. The Company's business is highly working capital intensive and it funds a majority of its working capital requirement through internal accruals. The major working capital are required for monthly payment of material purchased, Salary to employees, Rent, Freight outward, insurance expenses etc and Sundry Debtors as the money gets blocked in them due to more credit period offer to them for increase in turnover. The Company's projected revenue from operations to be increased from ₹ 12,118 Lakhs in FY 2023-24 to ₹ 15,148 Lakhs in FY 2024-25. In FY 2022-23, the working capital requirement on restated basis was ₹ 775.58 Lakhs from the existing level of business operations. As per the management's estimation, the working capital requirement for FY 2023-24 and FY 2024-25 is expected to be ₹ 4,630.15 Lakhs and ₹ 7,087.60 Lakhs respectively based on the current and future orders that may be received by the Company, for funding future growth requirements and for other strategic, business and corporate purposes.

Company working capital requirement is increased from FY 2020-21 onwards because company revenue from operations is increased due to company started offering more credit period to its customer to increase profit margin that is increased from 2% to 5% and trade payable days is decreased from 2020-21 onwards on year-to-year basis because company will get raw material on discounted price from 2% to 5%.

**Details of Estimation of Working Capital requirement are as follows:**

	2020-21	2021-22	2022-23	31 October 2023	2023-24	2024-25
						(in days)
No. of Days for Trade Payables	110	87	69	82	45	30
No. of Days for Trade Receivables	31	37	12	65	60	90

No. of Days for Inventory Days	48	57	70	64	87	78
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**Justification:**

<b>Trade Payable Days</b>	The Company's trade payable days are decreasing on year to year because of the company wants to take benefit of purchasing the goods on discounted rates due to early payment. The Company expects to have a benefit of around 2% to 5% in prices of goods. Hence the number of days of trade payable are decreasing on year-to-year basis.
<b>Trade Receivable Days</b>	<p>During the FY 2022-23 the Trade receivable days have decreased from to 12 days as compared to 37 days in 2021-22 since the company changed its strategy and started selling the goods on advance payment basis rather than on credit.</p> <p>Due to above strategy the Company's profit has been compromised and since there will be almost negligible finance cost involved after IPO funding, the Company is planning to give a credit period of 60-90 days in future which will boost the company's margin by around 2% - 5%.</p>
<b>Inventory</b>	The Company is increasing the inventory holding on the basis of increase in the turnover of the Company. Accordingly, the inventory holding has been assumed to be 87 days during the FY 2023-24 and 78 days during the FY 2024-25.
<b>Current Investments</b>	Current investments are computed from the historic restated financial statement and this includes investment in mutual fund.
<b>Other Current Liabilities</b>	Other current liabilities are computed from the historic restated financial information and include, provision for expenses, salary payable, statutory dues payable, advances from customer. Other current liabilities have been maintained in line with the increase projected business expenses for the forthcoming years.
<b>Short term provisions</b>	Short term provisions are computed from the historic restated financial information and include, provision for employee benefits and provision for taxation. Short term provisions have been maintained in line with the increase of projected business income/expenses for the forthcoming years.
<b>Short-term Loans and Advances</b>	Short term loan and advances include Advances to suppliers, Advances to employees. Short term loans and advances have been maintained in line with anticipated expansion of operations, necessitating advance payments to facilitate more business in the coming years. In past financial years it was approx. 2.95% of revenue from operations but due to increased operations, the Company have to make more advance payment for the said services in future financial years. For the fiscal years 2023-24 and 2024-25, it is estimated to constitute approximately 7.53% of revenue from operations.

<b>Other Current Assets</b>	Other current assets include, prepaid insurance expenses, Staff Imperest, MAT Credit entitlement, other current assets.
<b>Cash and Cash Equivalent</b>	Cash and cash equivalents are deliberately excluded from the net working capital calculation as it is not creating the requirement of working capital rather sourcing the same. Moreover, the same will form the base of financing / investing activities like purchasing / investing in future growth of the Company.

## 2. General Corporate Purpose

Our Company intends to deploy the balance Net Proceeds aggregating Rs. [●] Lakh for General Corporate Purposes subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI Regulations, including but not limited or restricted to, strategic initiatives, strengthening our marketing network & capability, meeting exigencies, brand building exercises in order to strengthen our operations. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for General Corporate Purposes.

## 3. Issue Related Expenses

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs [●] Lakh.

*(Rs. In Lakh)*

Sr. No.	Particulars	Amount (Rs. in Lakhs)	% of Total Expenses
1	Lead Manger Fees	[●]	[●]
2	Fees Payable to Registrar to the Issue	[●]	[●]
3	Fees Payable for Advertising and Publishing Expense	[●]	[●]
4	Fees Payable to Regulators including Stock Exchanges	[●]	[●]
5	Payment for Printing & Stationery, Postage, etc.	[●]	[●]
6	Fees Payable to Auditor, Legal Advisors and other Professionals	[●]	[●]
7	Others (Fees payable for Marketing & distribution expenses, Selling Commission, Brokerage, Processing Fees*, Underwriting fees and Miscellaneous Expenses)	[●]	[●]
<b>Total</b>		<b>[●]</b>	<b>[●]</b>

Issue expenses will be finalized on determination of Issue Price and incorporated at the time of filing of the Prospectus. Issue expenses are estimates and are subject to change.

- (1) Amounts will be finalised and incorporated in the Prospectus on determination of Issue Price. Issue expenses include applicable taxes, where applicable. Issue expenses are estimates and are subject to change.

- (2) Selling commission payable to the SCSBs on the portion for Retail Individual Bidders. Non-Institutional Bidders, which are directly procured by the SCSBs, would be as follows:

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

\*Amount allotted is the product of the number of Equity Shares Allotted and the Issue Price. The 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

No uploading/ processing fees shall be payable by our Company to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the members of the Syndicate/ sub-Syndicate/ Registered Broker/ CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for Retail Individual Bidders	[●] per valid Bid cum Application Form (plus applicable taxes)
Portion for Non-Institutional Bidders	[●] per valid Bid cum Application Form (plus applicable taxes)

Notwithstanding anything contained above the total processing fee payable under this clause will not exceed [●] (plus applicable taxes) and in case if the total processing fees exceeds [●] (plus applicable taxes) then processing fees will be paid on pro-rata basis.

- (3) The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism would be as follows:

Members of the Syndicate/ RTAs/ CDPs (uploading charges)	[●] per valid application (plus applicable taxes)
Sponsor Bank - [●]	[●] per valid Bid cum Application Form* (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.

\*For each valid application by respective Sponsor Bank

Notwithstanding anything contained above in this clause the total Uploading charges/ Processing fees payable to Members of the Syndicate/ RTAs/ CDPs for applications made by RIBs (up to ₹200,000), Non-Institutional Bidders (for an amount more than ₹200,000 and up to ₹500,000) using the UPI Mechanism and in case if the total uploading charges/ processing fees exceeds [●] (plus applicable taxes) then uploading charges/ processing fees using UPI Mechanism will be paid on pro-rata basis.

- (4) Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

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

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

Uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts, would be as follows: [●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

Bidding charges payable to the Registered Brokers, CRTAs/ CDPs on the portion for RIBs and Non-Institutional Bidders which are directly procured by the Registered Brokers or CRTAs or CDPs and submitted to SCSB for processing, would be as follows:

Portion for Retail Individual Bidders*	[●] per valid application (plus applicable taxes)
Portion for Non-Institutional Bidders*	[●] per valid application (plus applicable taxes)

\* Based on valid applications

Notwithstanding anything contained above the total uploading/ bidding charges payable under this clause will not exceed [●](plus applicable taxes) and in case if the total uploading/ bidding charges exceeds [●] (plus applicable taxes) then uploading charges will be paid on pro-rata basis.

The Selling Commission payable to the Syndicate/ Sub-Syndicate Members will be determined 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. Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the portion for RIBs and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: [●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers 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

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. Further, 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 SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

### APPRAISAL BY APPRAISING AGENCY

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

### PROPOSED SCHEDULE OF IMPLEMENTATION

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

*(Amount in Lakh)*

Particulars	Amount to be deployed and utilized in	
	FY 2023-24	FY 2024-25
Working Capital Requirement	1,093.20	2,000.00
General Corporate Purpose	[•]	[•]
Issue Expenses	[•]	[•]
<b>Total</b>	[•]	[•]

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

**Note:** M/s Kapish Jain & Associates, Chartered Accountants (Statutory Auditor of the Company) vide certificate dated January 30, 2024 has certified that the Company has incurred expenses of Rs. 15.99 lakhs towards “Issue Expenses” as on January 25, 2024 from its internal accruals.

### INTERIM USE OF FUNDS

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

## **BRIDGE FINANCING FACILITIES**

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending on business exigencies, our Company may consider raising bridge financing for the Net Proceeds for Object of the Issue.

## **MONITORING UTILIZATION OF FUNDS**

As the Net Proceeds of the Issue will be less than Rs. 10,000 Lakh, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency. Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee. Pursuant to Regulation 32 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company. No part of the Issue Proceeds will be paid by our Company as consideration to our Promoter, our Directors, Key Management Personnel or companies promoted by the Promoter, except as may be required in the usual course of business.

## **VARIATION IN OBJECTS**

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

## **OTHER CONFIRMATIONS**

No part of the issue proceeds will be paid as consideration to promoters, directors, key managerial personnel, associates or group companies except in the normal course of business and as disclosed in the sections titled Our Promoters, Our Promoters Group and Our Management as mentioned on page nos. 185, 190 and 172 of this Prospectus.

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## BASIS FOR ISSUE PRICE

The Issue Price of Rs. [•]/- per Equity Share has been determined by our Company, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is Rs. 10/- and Issue Price is Rs. [•]/- per Equity Share.

## QUALITATIVE FACTORS

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

1. Experienced Management Team
2. Prime Location of our Manufacturing Facility
3. Quality Assurance and Standards
4. Cordial Relationships with our Suppliers

## QUANTITATIVE FACTORS

Information presented below relating to the Company is based on the Restated Financial Statements. Some of the quantitative factors which form the basis or computing the price are as follows:

### 1. Basic & Diluted Earnings Per Share (EPS) (Face value of ₹ 10 each):

As per the Restated Financial Statements: -

Financial Year	Profit After Tax (Amount in Lakhs)	No of Shares**	EPS (Basic & Diluted)	Weight	Product
2022-23	456.93	17,74,942	2.57	3	7.71
2021-22	357.47	17,74,942	7.08	2	14.16
2020-21	1,033.67	4,89,350	21.12	1	21.12
<b>Weighted Average EPS</b>			<b>7.165</b>		
<b>Stub period ending October 31, 2023*</b>	472.86	1,86,88,819	2.65	-	-

\*Not Annualized

\*\*No. of Equity Shares of Rs. 10/- each for the period ended 31<sup>st</sup> October 2023 and Rs. 100/- for the year ended March 2023, 2022 & 2021.

#### Note:

- a) EPS Calculations have been done in accordance with Accounting Standard 20 - Earning per share issued by the Institute of Chartered Accountants of India.
- b) Basic earnings per share are calculated by dividing the net profit after tax by the weighted average number of Equity Shares outstanding during the period.

- c) Weighted Average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during year/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 year.
- d) 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 period are adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

**2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. [•]/- per Equity Share of face value Rs.10/- each fully paid up.**

Particulars	P/E Ratio at the Floor Price	P/E Ratio at the Cap Price
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2022-23	[•]	[•]
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2021-2022	[•]	[•]
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2020-2021	[•]	[•]
P/E ratio based on the Weighted Average EPS, as restated	[•]	[•]
P/E ratio based on the Basic & Diluted EPS, as restated for period ended October 31,2023*	[•]	[•]

\* Not Annualized

**Industry P/E Ratio**

Highest	51.7
Lowest	6.0
<b>Average</b>	<b>39.2</b>

Source: Capital Market Vol No. XXXVIII/24/38IQIEJ24

**3. Return on Net Worth (RONW)**

(Amount in lakhs except no of shares)

Financial Year	Return on Net Worth (%)	Weight	Product
2022-23	19.33%	3	57.99
2021-22	18.75%	2	37.5
2020-21	-131.45%	1	(131.45)
<b>Weighted Average</b>		<b>6</b>	<b>(35.96)</b>
<b>Weighted Average RoNW</b>			<b>(5.99)</b>
<b>Stub period ending October 31, 2023*</b>			<b>14.32%</b>

**Note:**

- Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated /Net worth as restated as at year end.
- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e.(RoNW x Weight) for each year/Total of weights
- Net worth is aggregate value of the paid-up share capital of the Company and reserves and surplus,excluding revaluation reserves and attributable to equity holders.

**4. Net Asset Value per Equity Share (Post Split)**

Particulars	Net Asset Value (NAV) in Rs.
2022-23	13.32
2021-22	37.78
2020-21	(16.07)
Stub period ending October 31, 2023	18.52
<b>NAV post-issue</b>	<b>[•]</b>
<b>Issue Price</b>	<b>[•]</b>

*\*Not Annualized*

*Note: Net Asset Value has been calculated as per the following formula:*

*NAV = Net worth excluding preference share capital and revaluation reserve/Outstanding number of Equity shares outstanding during the year or period.*

**5. Comparison with industry peers**

S. N.	Name of the company	Face Value (Per Share)	CMP	EPS	P/E Ratio	RONW (%)	NAV (Rs. Per share)	PAT (Rs. in Lakh)
1	Ambey Laboratories Limited	10.00	[•]	133.16	[•]	19.33	13.32	456.93
<b>Peer Group*</b>								
2	Atul Ltd	10.00	6175.35	187.05	46.90	12.03	1555.42	552.15
3	Meghmani Organics Ltd	1.00	81.52	9.85	63.21	15.11	65.11	250.39

Source: <https://www.bseindia.com>

*Note: Industry Peer may be modified for finalization of Issue Price before filing Prospectus with ROC.*

**Notes:**

- Considering the nature and turnover of business of the Company the peer is not strictly comparable. However, the same have been included for broader comparison.
- The figures for Ambey Laboratories Limited are based on the restated results for the year ended March 31, 2023
- The figures for the peer group are based on standalone audited results for the respective year ended

March 31, 2023.

- Current Market Price (CMP) is the closing price of respective scrip as on January 30, 2024

### **Key financial and operational performance indicators (“KPIs”)**

Our company considers that KPIs included herein below have a bearing for arriving at the basis for Offer Price. The KPIs disclosed below have been approved by a resolution of our Audit Committee dated January 24, 2024. Additionally, the Audit Committee on its meeting dated January 24, 2024 have confirmed that other than verified and audited KPIs set out below, our company has not disclosed to earlier investors at any point of time during the three years period prior to the date of this Draft Prospectus.

In additions to key performance indicators, investors are advised to see “Risk Factors, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 30, 130 and 255, respectively to track our financial performance. We have described and defined them, where applicable, in “Definitions and Abbreviations” section on pages 01. Our Company confirms that it shall continue to disclose all the KPIs included in this section “Basis for Offer Price”, on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration that is at least the later of (i) one year after the listing date or period specified by SEBI; or (ii) till the utilization of the Net Proceeds. Any change in these KPIs, during the aforementioned period, will be explained by our Company as required under the SEBI ICDR Regulations.

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

#### **Standalone KPI indicators**

*(Amount in lakh, except EPS, % and ratios)*

Particulars	Period ended October 31st, 2023	Financial Year ended March 31st, 2023	Financial Year ended March 31st, 2022	Financial Year ended March 31st, 2021
Revenue from operations <sup>(1)</sup>	6,993.36	10,482.12	8,460.07	8,173.94
Revenue CAGR (%) from F.Y. 2021-2023 <sup>(2)</sup>			13.24%	
EBITDA <sup>(3)</sup>	974.14	1,102.73	1,085.21	1,040.60
EBITDA (%) Margin <sup>(4)</sup>	13.93%	10.52%	12.83%	12.73%
EBITDA CAGR (%) from F.Y. 2021-2023 <sup>(5)</sup>			2.94%	
EBIT <sup>(6)</sup>	777.93	806.47	788.18	718.38
ROCE (%) <sup>(7)</sup>	11.01%	12.75%	12.53%	58.51%
Current ratio <sup>(8)</sup>	1.66	1.36	1.13	0.92
Operating cash flow <sup>(9)</sup>	(503.11)	944.10	560.72	274.32
PAT <sup>(10)</sup>	472.86	456.93	357.47	1033.67
PAT Margin <sup>(11)</sup>	6.76%	4.36%	4.23%	12.65%
Net Worth <sup>(12)</sup>	3,301.46	2,363.60	1,906.67	(786.39)
ROE/ RONW <sup>(13)</sup>	16.69%	21.40%	63.82%	(80.84%)
EPS <sup>(14)</sup>	2.65	2.57	7.08	21.12

#### **Notes:**

(1) Revenue from operations is the revenue generated from operations by our Company.

(2) Revenue CAGR: The three-year compound annual growth rate in Revenue.

$$[(\text{Ending Value}/\text{Beginning Value})^{(1/N)}]-1$$

(3) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

(4) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations

(5) EBITDA CAGR: The three-year compound annual growth rate in EBITDA.

$$[(\text{Ending Value}/\text{Beginning Value})^{(1/N)}]-1$$

(6) EBIT is Earnings before Finance Cost and taxes.

(7) ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined

as shareholders' equity plus long-term debt.

(8) Current Ratio: Current Asset over Current Liabilities

(9) Operating Cash Flow: Net cash inflow from operating activities

(10) PAT is mentioned as profit after tax for the period.

(11) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.

(12) Net Worth means the aggregate value of the paid-up share capital and reserves and surplus of the company.

(13) ROE: Return on Equity is calculated as PAT divided by average shareholders' equity

(14) EPS: Earning per share is calculated as PAT divide by Weighted No. of equity shares.

**Set forth the description of historic use of the KPIs by our Company to analyse, track or monitor the operational and/or financial performance of our Company.**

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

KPI	Explanation
Revenue from operation	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business.
Revenue CAGR %	Revenue CAGR informs the management of compounded annual growth rate i.e. Rate at which Company's revenue are growing on annual basis.

EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
EBITDA CAGR %	EBITDA CAGR indicate our compounded growth of the business
EBIT	EBIT indicates the performance of core operations without cost of the capital and tax expenses which impacts profits
ROCE %	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
Current Ratio	Current ratio indicates the company's ability to bear its short term obligations
Operating Cash Flow	Operating cash flow shows whether the company is able to generate cash from day-to-day business
PAT	Profit after Tax is an indicator which determine the actual earning available to equity shareholders
ROC/RoNW	ROC/RoNW (%) is an indicator which shows how much company is generating from its available shareholders' funds
EPS	Earning per shares is the company's earnings available of one share of the Company for the period

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## 7. Comparison of KPI with listed industry peers

(Amount in lakh, except EPS, % and ratios)

Key Financial Performance	Ambey Laboratories Limited			Atul Limited			Meghmani Organics Limited		
	F.Y. 2022-23	F.Y. 2021-22	F.Y. 2020-21	F.Y. 2022-23	F.Y. 2021-22	F.Y. 2020-21	F.Y. 2022-23	F.Y. 2021-22	F.Y. 2020-21
Revenue from operation <sup>(1)</sup>	10,482.12	8,460.07	8,173.94	5,00,200.00	4,92,900.00	3,46,000.00	2,55,673.91	2,49,397.15	1,62,344.28
Growth in Revenue from operation <sup>(2)</sup>	23.90%	3.50%	-	3.50%	28.86%	-	2.52%	53.62%	-
EBITDA <sup>(3)</sup>	1,102.73	1,085.21	1,040.60	89,500.00	95,300.00	95,000.00	36,400.00	37,940.00	27,990.00
EBITDA Margin <sup>(4)</sup>	10.52%	12.83%	12.73%	17.89%	19.33%	27.46%	14.24%	15.21%	17.24%
EBIT <sup>(5)</sup>	806.47	788.18	718.38	73,233.00	80,691.00	82,972.00	39,183.85	42,177.03	26,049.21
ROCE (%) <sup>(6)</sup>	12.75%	12.53%	58.51%	19.21%	23.57%	29.56%	13%	19%	17.1%
Current ratio <sup>(7)</sup>	1.36	1.13	0.92	2.60	2.32	2.18	1.44	1.41	1.61
Operating cash flow <sup>(8)</sup>	944.10	560.72	274.32	73,200.00	21,702.00	67,651.00	26,366.63	6,865.80	33,331.58
PAT <sup>(9)</sup>	456.93	357.47	1033.67	55,200.00	60,800.0	63,100.00	25,000.00	30,800.00	18,500.00
PAT Margin <sup>(10)</sup>	4.36%	4.23%	12.65%	10.49%	11.96%	17.45%	9.78%	12.35%	11.40%
Net Worth <sup>(11)</sup>	2,363.60	1,906.67	(786.39)	4,59,000.00	4,31,600.00	3,71,100.00	1,65,600.32	1,44,006.22	1,16,726.31
ROE/ RONW <sup>(12)</sup>	21.40%	63.82%	(80.84%)	12.40%	15.15%	18.61%	16%	24%	17.2%

EPS <sup>(13)</sup>	2.57	7.08	21.12	187.03	205.34	212.78	9.35	12.11	7.28
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\*\*All the information for listed industry peers mentioned above are on a standalone basis and is sourced from their respective audited/ unaudited financial results and/or annual report

**Notes:**

- (1) Revenue from Operations as appearing in the Restated Financial Statements/ Annual Reports of the respected companies
- (2) Growth in Revenue from operations (%) is calculated as Revenue from operations of the relevant period minus Revenue from operations of the preceding period, divided by Revenue from operations of the preceding period
- (3) EBITDA is calculated as Profit before tax + Depreciation + Finance Cost
- (4) EBITDA Margin' is calculated as EBITDA divided by Revenue from operation
- (5) EBIT is Earnings before Finance Cost and taxes
- (6) ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long-term debt.
- (7) Current Ratio: Current Asset over Current Liabilities
- (8) Operating Cash Flow: Net cash inflow from operating activities
- (9) PAT is the profit for the period from continuing operations
- (10) PAT Margin' is calculated as PAT for the period/year divided by Total Income
- (11) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account
- (12) ROE: Return on Equity is calculated as PAT divided by average shareholders' equity
- (13) EPS: Earning per share is calculated as PAT divide by Weighted No. of equity shares.

## 8. Weighted average cost of acquisition

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

Following are the primary/ new issue of shares of Equity Share excluding shares issued under ESOP/ESOS and issuance of bonus shares during the 18 months preceding the date of this Draft prospectus where such issuance is equal to or more than 5 per cent of the fully diluted paid-up share capital of the Issuer Company (*calculated based on the pre-issue capital before such transaction*), in a single transaction or multiple transactions combined together over a span of rolling 30 days;

Date of allotment	No of equity shares allotted	Face value	Issue price	Nature of allotment	Nature of consideration	Total consideration
11-10-2023	6,46,468	10	49.50	Private Placement	Cash	32,000,166
25-10-2023	2,92,931	10	49.50	Private Placement	Cash	1,45,000,85

### Weighted Average cost of acquisition for last 18 months:

Date of Acquisition	No. of Share Acquired	Nature of Consideration	Price of Acquisition	Consideration paid (in Rs.)
11-10-2023	6,46,468	Cash	49.50	32,000,166
25-10-2023	2,92,931	Cash	49.50	1,45,000,85
<b>Total</b>	<b>9,39,399</b>			<b>4,65,00,251</b>
<b>Weighted average number of shares</b>				<b>8,97,552</b>
<b>Weighted average cost of Acquisition*</b>				<b>51.81</b>

\**Weighted average Cost of Acquisition = Consideration paid/ Weighted average number of shares*

(b) *The price per share of our Company based on the secondary sale/ acquisition of shares:*

There have been secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

<b>Date of transfer</b>	<b>No of equity shares transferred</b>	<b>Nature of transfer</b>	<b>Total consideration</b>
11-09-2023	16,93,438	Gift	-

(c) Explanation for the Issue Price:

The Issue Price of Rs. [•]/- has been determined by our Company in consultation with the Lead Manager which is justified on the basis of the above information.

For further details see section titled “Risk Factors” beginning on page 30 and the financials of the Company including profitability and return ratios, as set out in the section titled “Auditors Report and Financial Information of Our Company” beginning on page 197 of this Draft Prospectus for a more informed view.

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## STATEMENT OF POSSIBLE TAX BENEFITS

To,  
The Board of Directors  
**Ambey Laboratories Limited**  
Ground Floor, Property No.555  
Tarla Mohalla, Ghitorni, South West Delhi,  
New Delhi -110030

Dear Sir,

**Sub: Statement of possible Special tax benefit ('the Statement') available to AMBEY LABORATORIES LIMITED and its shareholders prepared in accordance with the requirements under Schedule VI-Clause 9L of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the 'Regulations')**

We hereby confirm that the enclosed annexure, prepared by “**AMBEY LABORATORIES LIMITED**” (“**the Company**”) states the possible special tax benefits available to the Company and the shareholders of the Company under the Income – tax Act, 1961 ('Act') as amended time to time, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company, the Customs Act, 1962 and the Foreign Trade Policy 2015-2020, as amended by the Finance Act, 2023, i.e., applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, presently in force in India for inclusion in the Draft Prospectus (“DP”) / Prospectus for the proposed public offer of equity shares, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”).

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and its Shareholders and do not cover any general tax benefits. Further, these benefits are neither exhaustive nor conclusive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

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

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

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

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

### **Limitations**

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

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

**Signed in terms of our separate report of even date.**

**For Kapish Jain & Associates,  
Chartered Accountants,  
Firm Regd No: 022743N**

**Sd/-**

**Kapish Jain  
Partner  
Membership No: 514162  
UDIN: 24514162BKBHTP6882**

**Place: New Delhi  
Date: 30 January 2024**

### **Annexure to the statement of possible Tax Benefits**

Outlined below are the possible Special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 presently forced in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have different interpretation on the benefits, which an investor can avail.

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

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

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

#### **2. Special Tax Benefits available to the shareholders of the Company**

The Shareholders of the company are not entitled to any Special tax benefits under the Act.

#### **Notes:**

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

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

**Signed in terms of our separate report of even date.**

**For Kapish Jain & Associates,  
Chartered Accountants,  
Firm Registration No: 022743N**

**Sd/-**

**Kapish Jain  
Partner  
Membership No: 514162  
UDIN: 24514162BKBHTP6882**

**Place: New Delhi  
Date: 30 January 2024**

## SECTION V - ABOUT THE ISSUE

### INDUSTRY ANALYSIS AND OUR BUSINESS

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

#### **CHEMICAL SECTOR**

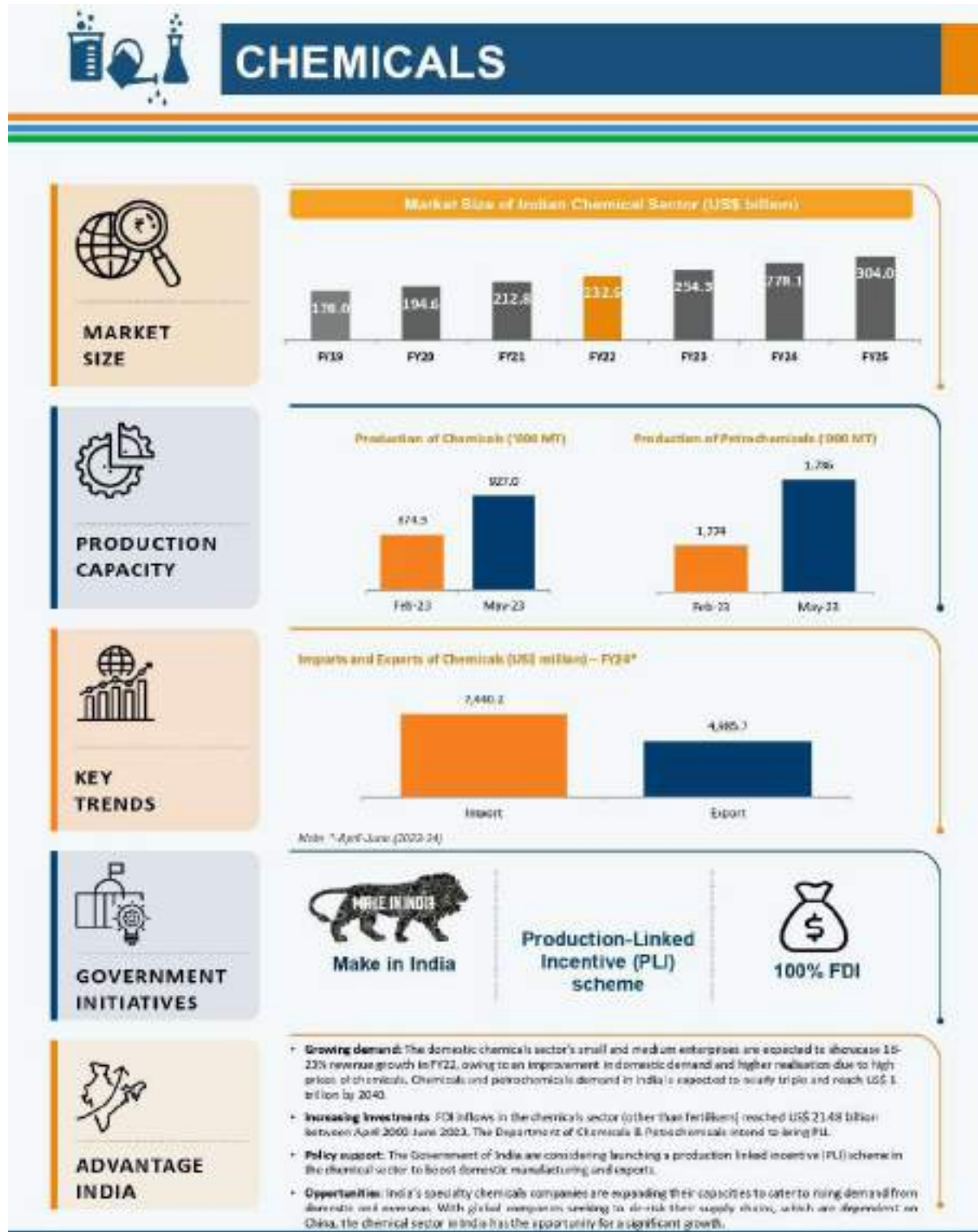
India is the 6th largest producer of chemicals in the world and 3rd in Asia, contributing 7% to India's GDP covering more than 80,000 commercial products and employing more than 2 million people. India's chemical industry is extremely diversified and can be broadly classified into bulk chemicals, specialty chemicals, agrochemical, petrochemicals, polymers, and fertilizers. A network of 200 national laboratories and 1,300 R&D centers provides a strong base to the Indian chemical industry to drive innovations. This sector, which is currently estimated to be worth US\$ 220 billion in 2022 and is anticipated to grow to US\$ 300 billion by 2025 and US\$ 1 trillion by 2040.

As per Chemexcil (Chemicals Export Promotion Council), India's agrochemical export was estimated to be at US\$ 1.04 billion from April 2023-June 2023 (Provisional). Indian colorants industry has emerged as a key player with a global market share of ~15%. The country's chemicals industry is de-licensed, except for few hazardous chemicals. India has traditionally been a world leader in generics and biosimilars and a major Indian vaccine manufacturer, contributing more than 50% of the global vaccine supply. India holds a strong position in exports and imports of chemicals at a global level and ranks 14th in exports and 8th in imports at global level (excluding pharmaceuticals). From April 2023 to June 2023 (provisional), India's dye exports (Dyes and Dye Intermediates) totaled US\$ 561.56 million.



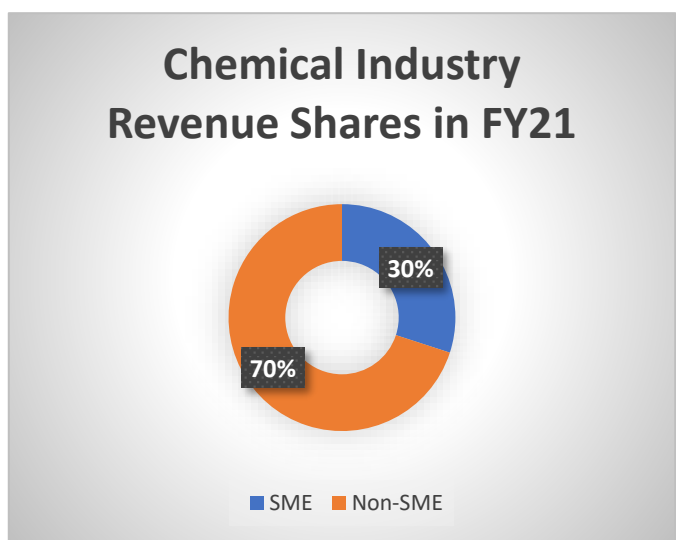
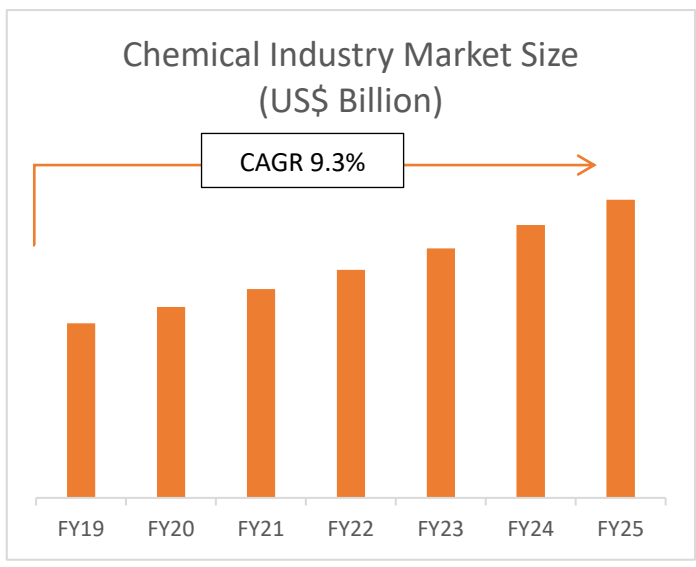


**Infographics:**



**Chemicals market in India:**

India accounts for 2.5% of the world’s global chemical sales, exporting to more than 175 countries that is contributing 7% to India’s GDP. The industry is expected to reach US\$ 304 billion by 2025 at a CAGR of 9.3%, driven by rising demand in the end-user segments for speciality chemicals and petrochemicals segment. Chemicals and petrochemicals demand in India is expected to nearly triple and reach US\$ 1 trillion by 2040. From April 2023 to June 2023 (provisional), India's dye exports (Dyes and Dye Intermediates) totaled US\$ 561.56 million. Specialty chemical companies are seeking import substitutions while exploring export opportunities to accelerate their business. The petrochemical demand is expected to record a 7.5% CAGR between 2019 and 2023, with the demand for polymers growing at 8%. India is the third largest polymer consumer in the world and is expected to consume 60 million tonnes by 2040. Chemicals and Chemical Products gross bank credit grew by 15.6% in May 2022. The agrochemical market in India is expected to register an 8.6% CAGR to reach US\$ 7.4 billion between 2021 and 2026. Specialty chemicals account for 20% of the global chemicals industry's US\$ 4 trillion, with India's market expected to increase at a CAGR of 12% to US\$ 64 billion by 2025. This gain would be driven by a healthy demand growth (CAGR of 10-20%) in the export/end-user industries.



## Chemical's market is split into five key segments: -



- **Bulk chemicals:** - These are groups of chemicals, which are manufactured on a large scale and further divided into organic, inorganic and alkali chemicals.
- **Petrochemicals & polymers:** - These chemicals are derivative of several chemical compounds such as hydrocarbons, which are derived from crude oil or natural gas.
- **Fertilisers:** - These provide nutrients for plant growth; are divided into organic/inorganic and natural/synthetic. Further, these can be broadly classified into phosphate, potassium and nitrogenous.
- **Specialty chemicals:** - These are derivatives of basic chemicals that are manufactured for specific end-use solutions. The characteristics of these chemicals include high-value, high R&D and low volume.
- **Agrochemical:** - These chemicals are used to protect crops against insects and pests and include fungicides, herbicides, and insecticides, among others. These chemicals can be applied in water irrigation, seeds, soils and crops.

## Advantage India: -

### 1. Growing demand

- ▶ Rise in demand from end-user industries such as food processing, personal care and home care is driving development of different segments in India's specialty chemicals market.
- ▶ The domestic chemicals sector's small and medium enterprises are expected to showcase 18-23% revenue growth in FY22, owing to an improvement in domestic demand.
- ▶ India is the 6th largest producer of chemicals in the world and 3rd in Asia, contributing 7% to India's GDP.
- ▶ Domestic demand is expected to rise from US\$ 170 billion-US\$ 180 billion in 2021 to US\$ 850 billion-US\$ 1,000 billion by 2040.

### 2. Increasing Investments and Spending

- ▶ FDI inflows in the chemicals sector (other than fertilizers) was US\$ 1850.01 million between April 2022-March 2023.
- ▶ The Department of Chemicals & Petrochemicals intend to bring PLI in chemical & petrochemical sector and will redraft the Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) guidelines.
- ▶ An investment of Rs. 8 lakh crore (US\$ 107.38 billion) is estimated in the Indian chemicals and petrochemicals sector by 2025.

### 3. Policy support

- ▶ The government plans to introduce production-linked incentive (PLI) scheme to promote domestic manufacturing of agrochemical.
- ▶ Under the Union Budget 2023-24 the government allocated Rs. 173.45 crore (US\$ 20.93 million) to the Department of Chemicals and Petrochemicals.
- ▶ The PLI plan for the National Programme on Advanced Chemistry Cell Battery Storage has been

approved by the Union Cabinet as of May 2021.

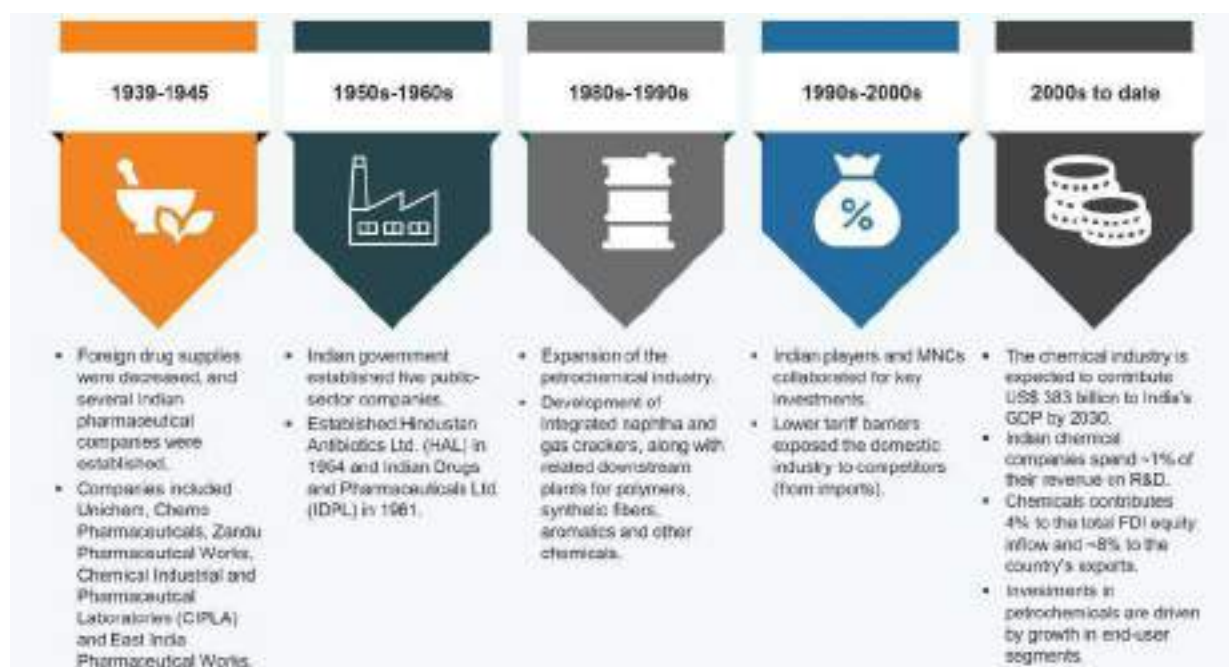
- ▶ PLI schemes were introduced to promote Bulk Drug Parks, with a budget of Rs. 1,629 crore (US\$ 213.81 million).

#### 4. Opportunities

- ▶ India's specialty chemicals companies are expanding their capacities to cater to rising demand from domestic and overseas.
- ▶ In July 2021, the government announced discovery of indigenous deposits of phosphatic rocks. This will help expand fertiliser production domestically and boost self-reliance in fertiliser production.
- ▶ The Odisha government accepted investment applications worth ~US\$ 345.3 million in the metal, cement, chemical, plastic, food processing and manufacturing sectors in April 2021. This is likely to generate 2,755 jobs

*Source: Budget 2021-22, News Articles, DPIIT / Report on FDI Inflow in the Country, 2023, DPIIT*

#### Evolution of the Indian chemical sector



#### 1939-1945 :-

- Foreign drug supplies were decreased, and several Indian pharmaceutical companies were established.
- Companies included Unichem, Chemo Pharmaceuticals, Zandu Pharmaceutical Works, Chemical Industrial and Pharmaceutical Laboratories (CIPLA) and East India Pharmaceutical Works.

#### 1950s-1960s:-

- Indian government established five public-sector companies.
- Established Hindustan Antibiotics Ltd. (HAL) in 1954 and Indian Drugs and Pharmaceuticals Ltd. (IDPL) in 1961.

#### 1980s-1990s:-

- Expansion of the petrochemical industry.
- Development of integrated naphtha and gas crackers, along with related downstream plants for polymers, synthetic fibers, aromatics and other chemicals

**1990s-2000s :-**

- Indian players and MNCs collaborated for key investments.
- Lower tariff barriers exposed the domestic industry to competitors(from imports).

**2000s to date:-**

- The chemical industry is expected to contribute US\$ 383 billion to India’sGDP by 2030.
- Indian chemical companies spend ~1% oftheir revenue on R&D.
- Chemicals contributes 4% to the total FDI equity inflow and ~8% to the country’s exports.
- Investments in petrochemicals are drivenby growth in end-user segments.

*Source: KPMG report, News Article*

**Chemical sector production capacity: -**

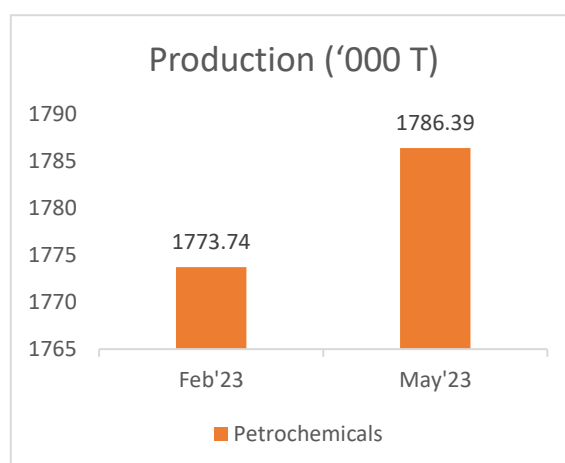
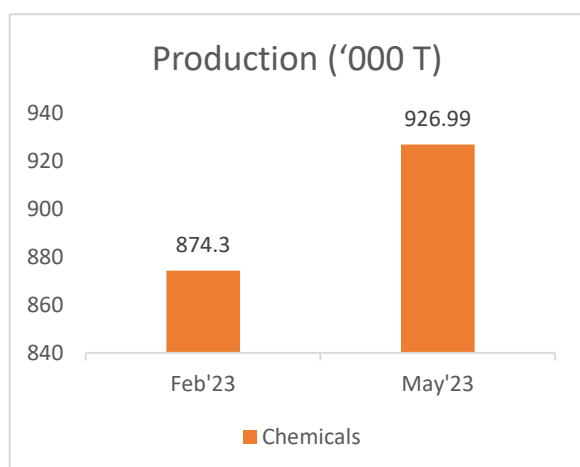
Major chemical production reached 874.30 million metric tonnes (MMT) in February 2023, while petrochemical production reached 1,773.74 MMT. In February 2023, production levels of various chemicals were as follows:

- Soda Ash: 250.87 MMT
- Caustic Soda: 269.17 MMT
- Liquid Chlorine: 201.48 MMT
- Formaldehyde: 19.13 MMT
- Pesticides and Insecticides: 17.01 MMT

At the CPMA - Argus Petrochemical Online Forum held on August 25, 2021, President of India's Chemicals and Petrochemicals Manufacturers Association (CPMA), Mr. Kamal Nanavaty, said that the Indian petrochemicals industry will have to increase its production capacity tenfold to meet higher demand by 2050. He also highlighted that India's consumption is estimated to double every nine years at an annual rate of 8%.

*Notes: MT: metric tonnes*

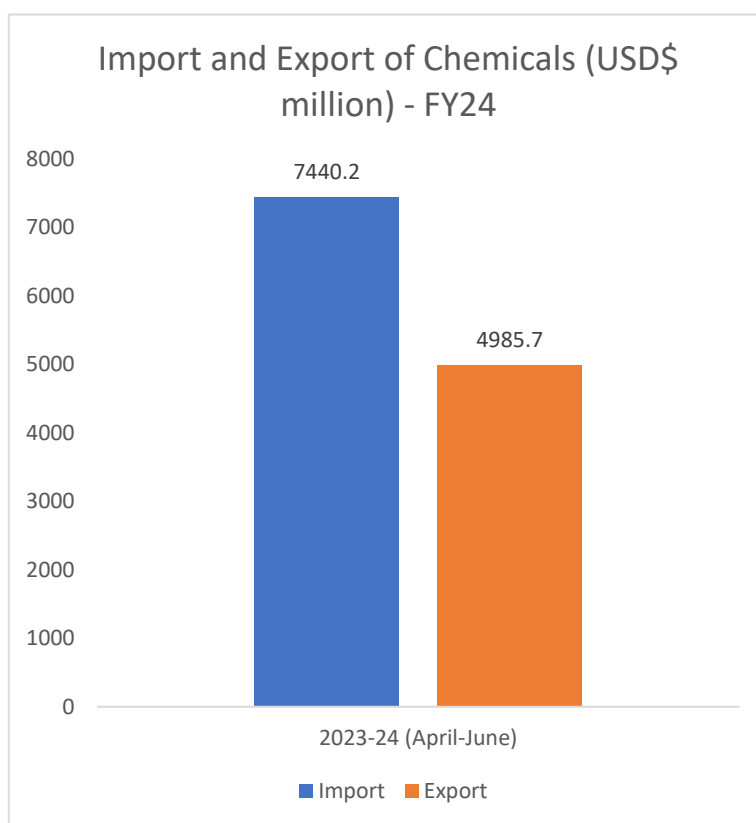
*Source:- Department of Chemicals and Petrochemicals*



**Chemical sector import and export statistics:-**

From April 2022-March 2023, exports of organic (US\$ 9.64 billion) & inorganic (US\$ 2.17 billion) chemicals were estimated at US\$ 17.19 billion. Imports of organic (US\$ 18.3 billion) and inorganic (US\$ 9.34 billion) chemicals totaled US\$ 29.58 billion from April 2022 to March 2023. From April 2022-December 2022, imports of petroleum, crude and products stood at US\$ 163.78 billion. Exports of petroleum products are 73.63 billion during April-December 2022. From April-March 2022, the export of agro-chemical was US\$ 5.37 billion, dyes were US\$ 2.04 billion and the other dye intermediates were US\$ 183.49 million.

The import of agrochemical was US\$ 1.79 billion, dyes were US\$ 0.31 billion and the other dye intermediates were US\$ 1.22 billion during April- March 2023. India exports to more than 175 countries in 2022. The major export destinations are USA, China and new destinations viz. Turkey, Russia and North East Asian Countries (China, Hongkong, Japan, Korea RP, Taiwan, Macao, Mongolia). Around 50% of the agro-chemicals are exported from India to the world. India is the top producer and exporter of castor oil, with 85-90 % of total global exports in the world. India holds a strong position in international trading of chemicals and ranks 9th in exports and 6th in imports at a global level (excluding pharmaceuticals).



*Source: Department of Chemicals and Petrochemicals, Directorate General of Commercial Intelligence and Statistics*

**Agrochemical trends in India: -**

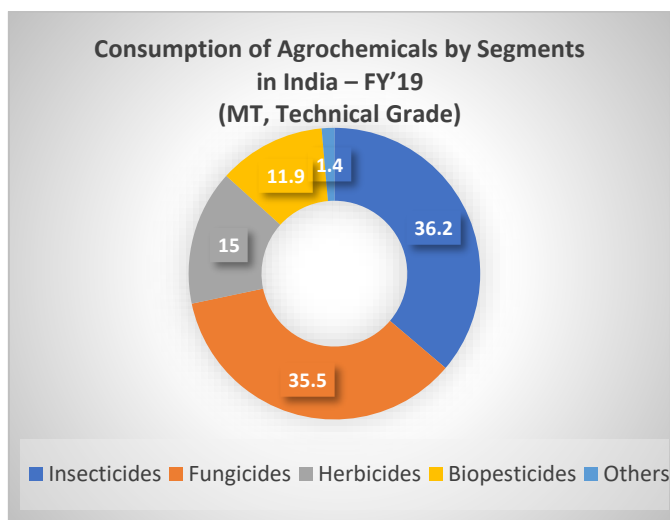
Globally, India is the fourth-largest producer of agrochemical after the United States, Japan and China. India is the fourth India is a net exporter of agrochemical and the thirteenth- largest exporter of pesticides and disinfectants. The country’s exports have increased on the account of low-cost manufacturing, availability of technically trained manpower, seasonal domestic demand, overcapacity, competitive pricing and strong presence in generic pesticide manufacturing.

Rise in demand in the agricultural segment is driving growth of agrochemicals in India. In October 2020,

the government urged players in the agrochemicals industry to come out with new molecules of global standards for the farmers' benefit, while CropLife India, the industry body, pitched for stable policies and regulatory regimes to boost growth in the sector.

The current GST on agrochemical is 18%. In January 2021, CropLife India, an industry body, demanded the government to reduce GST as this will help lower prices of agrochemicals and benefit farmers.

Agrochemical in India is currently a US\$ 5.5 billion market, growing at a CAGR of 8.3%. By 2040, it is expected to account for almost 40% of India's overall chemicals exports. As per Chemexcil (Chemicals Export Promotion Council), India's agrochemical export was estimated to be at US\$ 5.37 billion from April 2022-March 2023 (Provisional).



### Herbicides:

Farmers have faced weed-related issues and solutions from the beginning of agricultural history. Farmers' ability to lessen crop-weed competition expanded with the introduction of tractors and improvements in mechanization tools. However, the development of synthetic and related herbicides gave farmers, horticulturists, and foresters the ability to manage broad leaf weeds in broad leaf crops, narrow leaf weeds in narrow leaf crops, or broad leaf weeds in narrow leaf crops in addition to narrow leaf weeds in broad leaf crops.

The earliest attempt to control weeds in India with herbicides was made in 1937 in Punjab for controlling *Carthamus oxyacantha* by using sodium arsenite. 2,4-D was first tested in India in 1946. Since then a number of herbicides have been imported and tried for their effectiveness in controlling many weed species.

The herbicide use, in comparison to industrialized countries, is significantly low in India till today. Albeit the crop loss is more due to the weed infestation than that caused by other pests.

The Ministry of Agriculture, Government of India regulates the manufacture, sale, import, export and use of herbicides through the 'Insecticides Act, 1968'. Central Insecticides Board (CIB) constituted under Section 4 of the Act advises Central and State Governments on technical matters. The Registration Committee (RC) constituted under section 5 of the Act approves the use of pesticides and new formulations to tackle the pest problem in various crops. The Registration Committee is responsible to register pesticides after scrutinizing the chemistry, bioefficacy and toxicology of the products.

Herbicides applied in combination either pre-plant incorporated or pre-emergence or postemergence generally increase the spectrum of weed control or the length of residual weed control. Tank-mixing of

herbicides may improve the spectrum of weeds controlled in a single application which saves time and labour in a weed management programme. Mixing compatible herbicides from different chemical families may improve control of specific weed populations. Herbicide combinations may also provide control of several weed types at the same time, such as grassy and broadleaf weeds.

### Herbicides Classification:

In the 1940s, farmers did not have much choice for herbicides. To control broad leaf weeds, 2,4-D was used in crop fields. For non-selective weed control, herbicides like lead arsenate or salt were opted. But in the 1970s, a substantial number of herbicides of different chemical nature and with different modes of action were developed. It became urgent to develop a system to keep these products organized, so that it would be easy for the proper herbicide selection, easy diagnosis of herbicide injury symptoms, resistance management strategies, and mode and time of applications.

Herbicides were classified depending upon needs, according to the time of application, viz. pre-plant, pre-emergence, and post-emergence. Also, they were classified by their method of application, viz. foliar or root absorbed; selective or non-selective; and contact or systemic. From the chemistry point of view, herbicides were classified into different chemical groups, viz. phenoxyalkanoic acid, triazines, ureas, sulfonylureas, imidazolinones, etc. But the most effective way of herbicide classification, made by the Herbicide Resistance Action Committee (HRAC) is based on their modes of action. The system was not based on product names, rather focused on how a herbicide acted upon the plant. This system allows for the proper herbicide selection, resistance management strategies, and the more efficient diagnosis of herbicide injury symptoms.

### **Classification of Herbicides:**

Group	Sub-group	Herbicides
Amide	Amide	Allidochlor, Beflubutamid, Benzadox, Benzipram, Bromobutide, Cafenstrole, CDEA, Cyprazole, Dimethenamid, Dimethenamid-P, Diphenamid, Epronaz, Etnipromid, Fentrazamide, Flupoxam, Fomesafen, Halosafen, Isocarbamid, Isoxaben, Napropanide, Naptalam, Pethoxamid, Propyzamide, Quinonamid, Tebutam
	Anilide	Chloranocryl, Cisanilide, Clomeprop, Cypromid, Diflufenican, Etobenzanid, Fenasulam, Flufenacet, Flufenican, Mefenacet, Mefluidide, Metanifop, Monalide, Naproanilide, Pentanochlor, Picolinafen, Propanil
	Arylalanine	Benzoylprop, Flamprop, Flamprop-M
	Chloroacetanilide	Acetochlor, Alachlor, Butachlor, Butenachlor, Delachlor, Diethatyl, Dimethachlor, Metazachlor, Metolachlor, S-Metolachlor, Pretilachlor, Propachlor, Propisochlor, Prynachlor, Terbuchlor, Thenylchlor, Xylachlor
	Sulfonanilide	Benzofluor, Cloransulam, Diclosulam, Florasulam, Flumetsulam, Metosulam, Perfluidone, Pyrimisulfan, Profluzol
	Sulfonanide	Asulam, Carbasulam, Fenasulam, Oryzalin, Penoxsulam, Pyroxsulam (see also Sulfonylurea herbicides)
	Thioamide	Bencarbazone, Chlorthiamid
Antibiotic		Bilanafos
Aromatic acid	Benzoic acid	Chloramben, Dicamba, 2,3,6-TBA, Tricamba
	Pyrimidinylloxybenzoic acid	Bispyribac, Pyriminobac
	Pyrimidinylthiobenzoic acid	Pyrithiobac
	Phthalic acid	Chlorthal
	Picolinic acid	Aminopyralid, Clopyralid, Picloram
	Quinolinecarboxylic acid	Quinclorac, Quinmerac



Arsenical	Cacodylic Acid, CMA, DSMA, Hexaflurate, MAA, MAMA, MSMA, Potassium arsenite, Sodium arsenite
Benzoylcyclohexanedione	Mesotrione, Sulcotrione, Tefuryltrione, Tembotrione
Benzofuranyl alkylsulfonate	Benfuresate, Ethofumesate
Carbamate	Asulam, Carboxazole, Chlorprocarb, Dichlormate, Fenasulam, Karbutilate, Terbutcarb
Carbanilate	Barban, BCPC, Carbasulam, Carbetamide, CEPC, Chlorbufam, Chlorpropham, CPPC, Desmedipham, Phenisopham, Phenmedipham, Phenmedipham-ethyl, Propham, Swep
Cyclohexene oxime	Alloxydim, Butoxydim, Clethodim, Cloproxydim, Cycloxydim, Profoxydim, Sethoxydim, Tepraloxym, Tralkoxydim
Cyclopropylisoxazole	Isoxachlortole, Isoxaflutole
Dicarboximide	Benzfendizone, Cinidon-ethyl, Flumezin, Flumiclorac, Flumioxazin, Flumipropyn
Dinitroaniline	Benfluralin, Butralin, Dinitramine, Ethalfluralin, Fluchloralin, Isopropalin, Methalpropalin, Nitratin, Oryzalin, Pendimethalin, Prodiamine, Profluralin, Trifluralin
Dinitrophenol	Dinofenate, Dinoprop, Dinosam, Dinoseb, Dinoterb, DNOC, Etinofen, Medinoterb

Dithiocarbamate	Dazomet, Metam	
Halogenated aliphatic	Alorac, Chloropon, Dalapon, Flupropanate, Hexachloroacetone, Iodomethane, Methyl Bromide, Monochloroacetic Acid, SMA, TCA	
Imidazolinone	Imazamethabenz, Imazamox, Imazapic, Imazapyr, Imazaquin, Imazethapyr	
Nitrile	Bromobonil, Bromoxynil, Chloroxynil, Dichlobenil, Iodobonil, Ioxynil, Pyraclonil	
Organophosphorus	Aniprofos-Methyl, Anilofos, Bensulide, Bilanafos, Butamifos, 2,4-DEP, DMPA, EBEP, Fosamine, Glufosinate, Glyphosate, Piperophos	
Oxadiazolone	Dimefuron, Methazole, Oxadiargyl, Oxadiazon	
Phenoxy	Phenoxy	Bromofenoxim, Clomeprop, 2,4-DEB, 2,4-DEP, Difenopenten, Disul, Erbon, Etnipromid, Fenteracol, Trifopsime
	Phenoxyacetic	4-CPA, 2,4-D, 3,4-DA, MCPA, MCPA-thioethyl, 2,4,5-T
	Phenoxybutyric	4-CPB, 2,4-DB, 3,4-DB, MCPB, 2,4,5-TB
	Phenoxypropionic	Cloprop, 4-CPP, Dichlorprop, Dichlorprop-P, 3,4-DP, Fenoprop, Mecoprop, Mecoprop-P,
	Aryloxyphenoxy propionic	Chlorazifop, Clodinafop, Clofop, Cyhalofop, Diclofop, Fenoxaprop, Fenoxaprop-P, Fenthiaprop, Fluazifop, Fluazifop-P, Haloxyfop, Haloxyfop-P, Isoxapyrifop, Metamifop, Propaquizafop, Quizalofop, Quizalofop-P, Trifop
Phenylenediamine	Dinitramine, Prodiamine	
Pyrazole	Pyrazole	Azimsulfuron, Difenzoquat, Halosulfuron, Metazachlor, Pyrazosulfuron, Pyroxasulfone
	Benzoylpyrazole	Benzofenap, Pyrasulfotole, Pyrazolynate, Pyrazoxyfen, Topramezone
	Phenylpyrazole	Fluazolate Nipyraclofen Pyraflufen

Pyridazine		Credazine, Pyridafol, Pyridate
Pyridazinone		Brompyrazon, Chloridazon, Dimidazon, Flufenpyr, Metflurazon, Norflurazon, Oxapyrazon, Pydanon,
Pyridine		Aminopyralid, Clodinate, Clopyralid, Dithiopyr, Fluroxypyr, Haloxydine, Picloram, Picolinafen, Pyriclor, Pyroxsulam, Thiazopyr, Triclopyr
Pyrimidinediamine		Iprymidan, Tioclorim
Quaternary ammonium		Cyperquat, Diethamquat, Difenzoquat, Diquat, Morfamquat, Paraquat
Thiocarbamate		Butylate, Cycloate, Di-allate, EPTC, Esprocarb, Ethiolate, Isopolinate, Methiobencarb, Molinate, Orbencarb, Pebulate, Prosulfocarb, Pyributicarb, Sulfallate, Thiobencarb, Tiocarbazil, Tri-allate, Vernolate
Thiocarbonate		Dimexano, EXD, Proxan
Thiourea		Methiuron
Triazine	Triazine	Dipropetryn, Triaziflam, Trihydroxytriazine
	Chlorotriazine	Atrazine, Chlorazine, Cyanazine, Cyprazine, Eglazine, Ipazine, Mesoprazine, Procyazine, Proglazine, Propazine, Sebuthylazine, Simazine, Terbutylazine, Trietazine
	Methoxytriazine	Atraton, Methometon, Prometon, Sebumeton, Simeton, Terbumeton
	Methylthiotriazine	Ametryn, Aziprotryne, Cyanatryn, Desmetryn, Dimethametryn, Methoprotryne, Prometryn, Simetryn, Terbutryn
Triazinone		Ametridione, Anubuzin, Hexazinone, Isomethiozin, Metamitron, Metribuzin,
Triazole		Anitrole, Cafenstrole, Epronaz, Flupoxam
Triazolone		Anicarbazon, Bencarbazon, Carfentrazone, Flucarbazon, Propoxycarbazon, Sulfentrazone, Thiencarbazon
Triazolopyrimidine		Cloransulam, Diclosulam, Florasulam, Flumetsulam, Metosulam, Penoxsulam, Pyroxsulam
Uracil		Butafenacil, Bromacil, Flupropacil, Isocil, Lenacil, Terbacil

Urea	Urea	Benzthiazuron, Cumyluron, Cycluron, Dichloralurea, Diflufenzopyr, Isonoruron, Isouron, Methabenzthiazuron, Monisouron, Noruron
	Phenylurea	Anisuron, Buturon, Chlorbromuron, Chloreturon, Chlorotoluron, Chloroxuron, Daimuron, Difenoxuron, Dimefuron, Diuron, Fenuron, Fluometuron, Fluothiuron, Isoproturon, Linuron, Methiuron, Methyldynuron, Metobenzuron, Metobromuron, Metoxuron, Monolinuron, Monuron, Neburon, Parafluron, Phenobenzuron, Siduron, Tetrafluron, Thidiazuron
	Pyrimidinyl sulfonylurea	Amidosulfuron, Azimsulfuron, Bensulfuron, Chlorimuron, Cyclosulfamuron, Ethoxysulfuron, Flazasulfuron, Flucetosulfuron, Flupyralsulfuron, Foramsulfuron, Halosulfuron, Imazosulfuron, Mesosulfuron, Nicosulfuron, Orthosulfamuron, Oxasulfuron, Primisulfuron, Pyrazosulfuron, Rimsulfuron, Sulfometuron, Sulfosulfuron, Trifloxysulfuron
	Triazinyl sulfonylurea	Chlorosulfuron, Cinosulfuron, Ethametsulfuron, Iodosulfuron, Metsulfuron, Prosulfuron, Thifensulfuron, Triasulfuron, Tribenuron, Triflusulfuron, Tritosulfuron
	Thiadiazolylurea	Buthiuron, Ethidimuron, Tebuthiuron, Thiazafluron, Thidiazuron

Unclassified	Acrolein, Allyl alcohol, Azafenidin, Benazolin, Bentazone, Benzobicyclon, Buthidazole, Calcium cyanamide, Cambendichlor, Chlorfenac, Chlorfenprop, Chlorflurazole, Chlorflurenol, Cinnethylin, Clomazone, CPMF, Cresol, Ortho-dichlorobenzene, Dimepiperate, Endothal, Fluoromidine, Fluridone, Flurochloridone, Flurtamone, Fluthiacet, Indanofan, Methyl isothiocyanate, OCH, Oxaziclomefone, Pentachlorophenol, Pentoxazone, Phenylmercury acetate, Pinoxaden, Prosulfalin, Pyribenzoxim, Pyrifthalid, Quinoclamine, Rhodethanil, Sulglycapin, Thidiazimin, Tridiphane, Trimeturon, Tripropindan, Tritac
Inorganic	Ammonium sulfamate, Borax, Calcium chlorate, Copper sulfate, Ferrous sulfate, Potassium azide, Potassium cyanate, Sodium azide, Sodium chlorate, Sulfuric acid

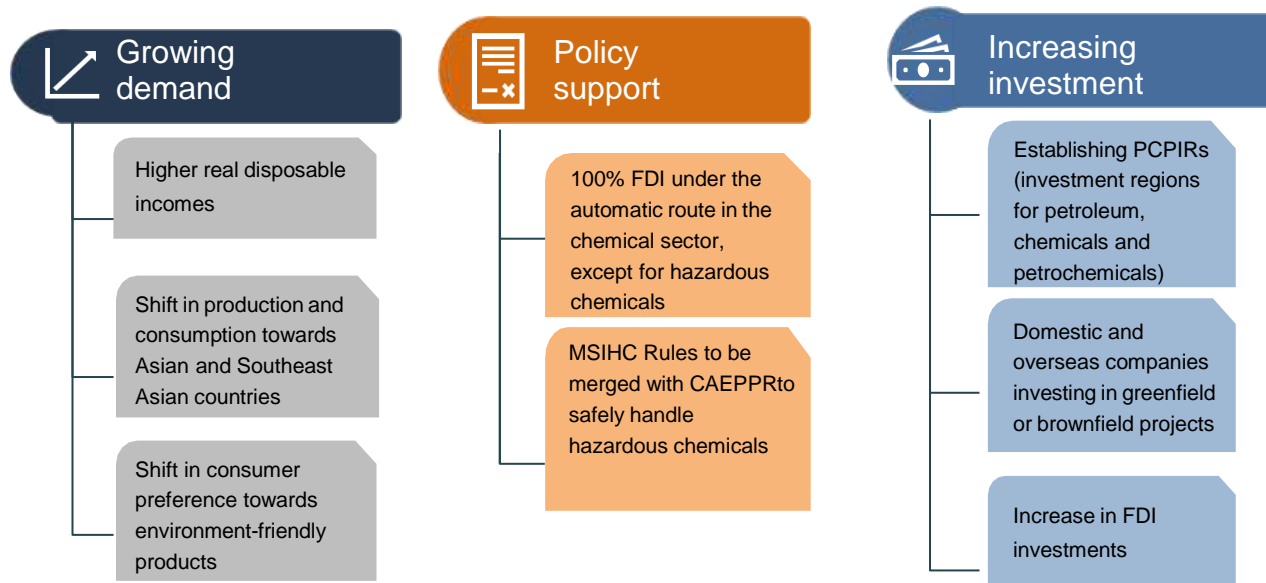
### **Herbicide Regulation and Registration:**

The Ministry of Agriculture, Government of India regulates the manufacture, sale, import, export and use of herbicides through the 'Insecticides Act, 1968'. Central Insecticides Board (CIB) constituted under Section 4 of the Act advises Central and State Governments on technical matters. The Registration Committee (RC) constituted under section 5 of the Act approves the use of pesticides and new formulations to tackle the pest problem in various crops. The Registration Committee is responsible to register pesticides after scrutinizing the chemistry, bioefficacy and toxicology of the products. Presently 60 technical herbicides and 17 combination herbicides are registered (as on 20.10.2015) for use in our country. Some herbicides, which were once registered are presently debarred from use in agriculture due to various problems, mainly related to toxicology.

Herbicides applied in combination either pre-plant incorporated or pre-emergence or postemergence generally increase the spectrum of weed control or the length of residual weed control. Tank-mixing of herbicides may improve the spectrum of weeds controlled in a single application which saves time and labour in a weed management programme. Mixing compatible herbicide from different chemical families may improve control of specific weed populations, such as 2,4-D applied with dicamba for broadleaf weeds. Herbicide combinations may also provide control of several weed types at the same time, such as grassy and broadleaf weeds. For example, the combinations of mesosulfuron and iodosulfuron, clodinafop and metsulfuron, and sulfosulfuron and metsulfuron control both grasses and broad leaf weeds in wheat. The combination product of chlorimuron and metsulfuron controls sedges and grassy weeds in rice. In soybean, pendimethalin + imazethapyr and imazamox + imazethapyr control grasses and broad leaf weeds. Presently, in our country, 14 combination products of two active ingredients are available. Recently, Registration Committee, Central Insecticide Board has given approval for the combination pesticides having three active ingredients. New combination products containing three active ingredients will be very useful in controlling grassy weeds, broadleaf weeds, and sedges at a time saving application cost and time. This trend in herbicide combination products is likely to continue in the crop production.

*Source: <http://www.dwr.org.in>*

**Strong demand and policy support driving investments:**



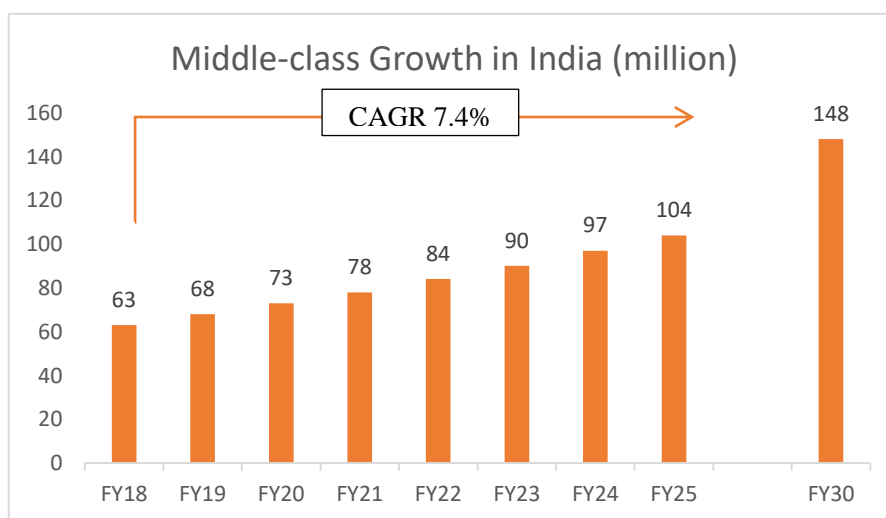
*Notes: MSIHC: Manufacture Storage and Import of Hazardous Chemicals, CAEPPR: Chemical Accidents Emergency Planning, Preparedness and Response*

*Source: News Articles*

**Key Growth Driver**

**1. RISE IN DOMESTIC DEMAND**

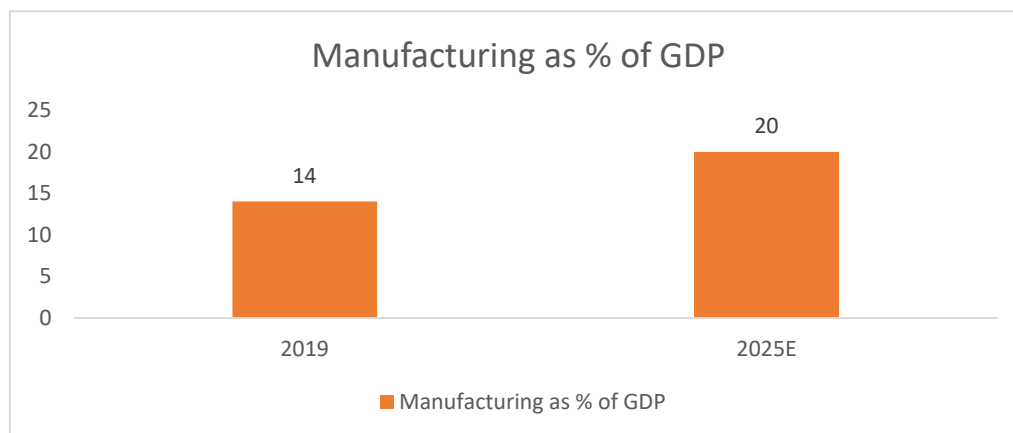
By 2030, India is likely to have ~80% of the households in the middle-income group. The growing middle-class and increasing urbanisation is driving the demand for personal care, agrochemicals, food, paints & coatings resulting into higher consumption of chemicals per capita.



**2. GOVERNMENT AIMS TO BOOST MANUFACTURING SHARE IN GDP TO 20% BY 2025**

Government considers the manufacturing sector to be a key focus area and has contacted ~1,450 companies

worldwide to manufacture in India. The government plan includes 2-3 autonomous zones which does not have labor and land laws. ~300 companies are actively pursuing production plans in mobiles, electronics, medical devices and textiles.



### 3. EMERGING MANUFACTURING HUBS

The dedicated integrated manufacturing hubs under Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR) policy to attract an investment of Rs. 20 lakh crore (US\$ 276.46 billion) by 2035.

### 4. RISE IN DISINFECTANT DEMAND POST COVID-19

With increasing demand for disinfection of personal and public places post COVID-19, the chloro-alkali, ethanol, personal care, and surfactant industry is expected to record significant growth in near future.

### 5. FOREIGN INVESTMENT

Presence of prominent global players, such as BASF, Dow Chemicals, Bayer and others, 100% FDI in the chemicals sector and stringent laws on anti-dumping to drive the Indian chemical market.

### 6. SKILLED AND LOW-COST MANPOWER

The skilled and low-cost labour, world-class engineering and strong R&D set-up enable chemicals industries in India.

### 7. GROWING END USE INDUSTRIES

Demand from packaging, construction, automotive and other industries to drive the Indian chemical market.

*Source: National Council of Applied Research, World Economic Forum*

### Key industries driving growth:

#### 1. AUTOMOTIVE

- Disruption in automotive sector with the emergence of autonomous driving connected
- shared mobility will affect the value chain of Indian chemical companies supplying chemicals to automotive applications

#### 2. WATER TREATMENT

- Increasing urbanisation and population is driving the demand for safe drinking water. Moreover, rising awareness of hygiene among the people is leading to excessive water consumption.

### 3. TEXTILE, FLAVOURS & FRAGRANCES

- India has witnessed increasing demand for wide range of cosmetic chemicals, health care products and hygiene products that use specialty chemicals, polymers and oleo chemicals. This segment is likely to outperform other segments.

### 4. CONSTRUCTION

- ‘Smart City’ projects by the Indian government are driving growth of chemical companies in India. Availability of essential raw materials at low cost is anticipated to increase demand for construction chemicals.

#### **Favourable initiatives by government:**

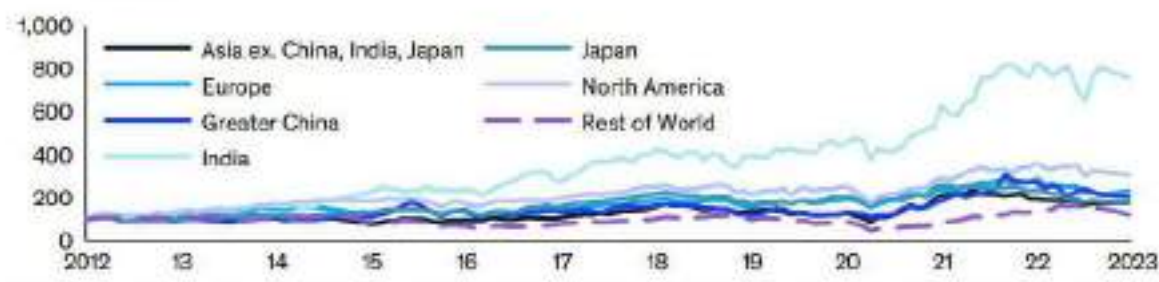
1. 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government plans to implement production-link incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters.
2. 100% FDI is allowed in the chemical sector under automatic route with exception to few hazardous chemicals.
3. Industrial licensing is approved in most sectors, except for few hazardous chemicals.
4. The Indian Government supports the industry in research & development, reduced the basic customs duty on several products and offers support through the ‘Make in India’ campaign.
5. Four Petroleum, Chemicals and Petrochemical Investment Regions (PCPIRs) have been set-up as the investment regions for petroleum, chemicals and petrochemicals along with associated services.
6. The Government of India is considering launching a production-linked incentive (PLI) scheme in the chemical sector to boost domestic manufacturing and exports.

*Source: Department of Chemicals and Petrochemicals*

#### **An era of sustained robust growth: The 2040 outlook**

Over the last few years, the Indian chemicals sector has exceeded all shareholder expectations, outperforming not just the overall equity market but also the majority of its upstream and downstream industries. This exceptional growth has been fueled by consistent revenue expansion, increasing margins, and rise in multiples.

Indexed Total Shareholders Return (TSR),  
Dec '11=100, USD



India is expected to become a \$850-1000 Bn chemicals market by 2040, taking 10-12% share of the global chemicals market.

### Potential winning opportunities in India's chemical sector

Today, the Indian chemical industry offers several opportunities to build at-scale businesses across several Specialty, Inorganic and Petrochemical segments. Identifying these opportunities calls for the right balance between market attractiveness and cost competitiveness. While cost competitiveness is generally a function of feedstock availability, trade balance, and scope of value addition via process or tech innovation, market attractiveness is a composite of current market size, expected CAGR and macro trends.

#### **Specialty chemicals**

With a net trade surplus, the Specialty segment is the strongest pillar of India's chemicals sector. In all, 16 specialty chemicals sub-segments perform well on both cost competitiveness and market attractiveness. Two of these sub-segments are:

— **Agrochemical:** Agrochemical in India is currently a USD 5.5 billion market<sup>11</sup>, growing at a CAGR of 8.3 percent. By 2040, it is expected to account for almost 40 percent of India's overall chemicals exports and nearly 13 percent of the global ag-chem market.

— **Food and Feed Ingredient Chemicals:** Constituting flavors and fragrances, food and feed additives, and nutraceutical, this sub-segment is a USD 3 billion market in India, growing at a CAGR of 7-9 percent.

#### **Inorganic chemicals**

As inorganic chemicals require little processing as compared with other segments, the Inorganic chemicals segment is predominantly dependent on feedstock availability. India, unfortunately, has a scarcity of raw material for most chemicals in this segment. However, it has a high demand for many inorganic chemicals, making it an attractive market.

Six sub-segments emerge as an opportunity for building an at-scale business in the segment, backed by high growth rate of end-use industries and natural feedstock advantages. Two of these are:

— **Fluorine:** Growing at a CAGR of more than 10 percent, fluorine is expected to become a USD 4.2 billion market by 2040. Its growth will be driven by rising demand from two of its main end-use industries: pharma and ag-chem.

— **Sodium and Caustic:** This sub-segment is expected to register CAGR of nearly 10 percent. By 2040, sodium and caustic could become a USD 13 billion and USD 11.5 billion market respectively.

*Source: McKinsey & Company: [www.mckinsey.com](http://www.mckinsey.com)*

## OUR BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Prospectus. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read “Risk Factors” on page 30 for a discussion of the risks and uncertainties related to those statements, as well as “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 197 and 255 respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Restated Financial Statements.*

## BACKGROUND OF COMPANY

Our Company was originally incorporated as a private limited company namely “Ambey Laboratories Private Limited” under the Companies Act, 1956 vide certificate of incorporation dated 20/03/1985 issued by Registrar of Companies, NCT of Delhi bearing registration no. 020490. Further, Our Company was converted into a Public Limited Company in pursuance of a special resolution passed by the members of our Company at the Extra Ordinary General Meeting held on November 15<sup>th</sup>, 2014. A fresh Certificate of Incorporation consequent to conversion was issued on December 30<sup>th</sup>, 2014 by the Registrar of Companies, NCT of Delhi and consequently the name of our Company was changed from “Ambey Laboratories Private Limited” to “Ambey Laboratories Limited”. The Company’s Corporate Identification Number is U74899DL1985PLC020490.

Ambey Laboratories is engaged in the business of manufacturing of agrochemical products for the protecting of crops and it’s been almost four decades the company serving the agrochemical sector. Our Company is manufacturer and supplier of “2, 4-D base chemicals” with highest quality practice and compliant with Highest Environmental, Health, and Safety (EHS) in chemical industry. The company has Programmable Logic Controller (PLC) and Supervisory Control along with Quality Assurance Department which ensures testing through HPLC, GC, UV etc. at every stage of production at our manufacturing facility installed, integrated and operating at 5 Acres Facility in the region of Behror, Rajasthan, India for manufacturing of “2, 4-D base chemicals”.

Our manufacturing Facility located in Behror, Rajasthan, has been certified with ISO 9001:2015 from Quality Research Organization and ISO 14001:2015 from United Accreditation Foundation, a member of International Accreditation forum to maintain highest quality, environmental and safety practices. Our company has obtained certificate of compliance from RoHS Directive (2015/863/EC) European Parliament and commission decision (2005/618/EC) on the restriction of use of certain Hazardous Substance [Lead (Pb), Mercury (Hg), Cadmium (Cd), Hexavalent Chromium (Cr6+), Polybrominated Biphenyls (PBBs) and Polybrominated Diphenyl, Bis (2-Ethylhexyl) phthalate (DEHP), Benzyl butyl phthalate (BBP), Dibutyl phthalate (DBP), Diisobutyl phthalate (DIBP)] ethers (PBDEs) in Electrical and Electrical Equipments.

Due to backward integration of our products, our plant is ZLD (Zero Liquid Discharge) to ensure minimum emissions and waste generation. We explore downstream products from our core intermediaries to meet and exceed customer expectations and operation ensures organized inflow state of the art manufacturing and supply sustainability to our valued customers.

Presently our company manufactures 2,4-D Acid 98% TC, 2,4-D Sodium 95% SP, 2,4-D Amine 866 | 720 | 480g/l SL, 2,4-D Ethyl Hexyl Ester 96% TC, 2,4-D Ethyl Ester 96% TC, Chlorpyrifos 97%TC / 20%EC / 50%EC, Thiamethoxam 96%TC / 25% WG / 75%SG, Pretilachlor 95%TC / 50%EC / 37%EW, Metribuzin 97%TC / 70%WS, Hexaconazole 92%TC / 5%SC / 5%EC / 10%EC and Metalaxyl 98%TC / 35%WS for our customer base which comprises of large corporates like Aromatic Rasayan Private Limited, JR Jindal Infraprojects Private Limited; SC Formulator Co. Ltd.



## BUSINESS LICENSE

<i>License</i>	<i>Date of Issue</i>	<i>Date of Expiry</i>
Certificate for use of a Boiler	19.07.2023	NA
Registration & License to work a Factory	28.01.2022	31.03.2027
ISO Certificate (ISO 14001:2015) issue by RO Quality Research Organization	16.02.2023	15.02.2026
ISO Certificate (ISO 9001:2015)	07.08.2023	06.08.2026
ISO Certificate (ISO 14001:2015) issue by RBS Quality Organization	07.08.2023	06.08.2026
Central Excise Registration Certificate	09.11.2005	NA
License to Manufacture for sale	08.01.2021	NA
Importer Exporter Code	05.12.2022	NA

*For other certificates & details, please refer page no. 271 of this draft prospectus.*

## MANUFACTURING FACILITY

<b>Location</b>	<b>Total Area</b>	<b>Usage Purpose</b>
SP 1-5, RIICO Industrial Area Sotanala, Behror, Distt. Alwar, Rajasthan-301701	20183 SQM	Manufacturing

### MANUFACTURING FACILITY- PLANT BEHROR, RAJASTHAN





**LABORATORY**



(HPLC, GLC, UV Spectrophotometer)

**BOILER & UTILITY**



**DRYER & CRYSTALLIZER**



**HOME HYGENIC PRODUCTS ARE:**



**OUR COMPANY VISION AND MISSION**

Vision:	Mission:
<ul style="list-style-type: none"> <li>➤ Ambey’s vision of sustainability is in synergy with its growth vision, right from creating value for all stakeholders, to core values of Environment, Engagement and Enterprise.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Creating Value for our stakeholders.</li> <li>➤ Environmental Sustainability.</li> <li>➤ To support our customers by providing superior products and services of exceptional value.</li> </ul>

<ul style="list-style-type: none"> <li>➤ Our vision is to produce environment friendly agro chemicals products and become the top preferred company of our customers.</li> </ul>	<ul style="list-style-type: none"> <li>➤ To sustain our vision by continuous learning and application of new technologies and best business practices.</li> <li>➤ To encourage our employees to be highly productive and to grow personally and professionally.</li> <li>➤ To develop diversified markets which provide stability and financial return which allows us to achieve our vision.</li> </ul>
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## OUR AGRO -CHEMICAL PRODUCTS

1. 2,4-D Amine Salt (480 gm. Liter SL)
2. 2,4-D Amine Salt (625 gm. Liter SL)
3. 2,4-D Amine Salt (720 gm. Liter SL)
4. 2,4-D Amine Salt (806 gm. Liter SL)
5. 2,4-D Amine Salt (840 gm. Liter SL)
6. 2,4-D Amine Salt (866 gm. Liter SL)
7. 2,4-D Acid Tech (98% min)
8. 2,4-D Ethyl Ester Tech (95% min)
9. 2,4-D 2-Ethylhexyl Ester Tech (96% min)
10. 2,4-D Sodium Salt (95% min)
11. Hexaconazole (5% min)

## OUR HOME HYGIENE PRODUCTS

1. Black Phenyle
2. White Floor Cleaner
3. Toilet Cleaner
4. Surface & Floor Cleaner
5. Power Cleaner
6. Glass Cleaner
7. Moth Repellent Balls
8. Hand Wash
9. Bathroom Cleaner
10. Hand Sanitizer

## PRODUCT DESCRIPTION

### 1. 2,4-D Amine Salt (480 gm. Liter SL)

#### Identification of the Substance:

<b>Common Name</b>	2, 4 -D Amine Salt 480g/l SL
<b>Chemical Name</b>	2, 4-Dichlorophenoxyacetic acid, dimeethylamine salt
<b>Intended Use</b>	Herbicide
<b>Pesticide Family</b>	Phenoxy Herbicide

**Physical and Chemical Properties:**

<b>Appearance &amp; Odour</b>	Reddish Brown
<b>Specific Gravity</b>	<u>1.14@27°C</u>
<b>Boiling Point °C</b>	>100
<b>Vapour Density (air=1)</b>	0.021
<b>Freezing Point °C</b>	0
<b>Vapour Pressure (mm)</b>	20.7
<b>pH</b>	7.5-9.0
<b>Solubility in Water</b>	Soluble

**2. 2,4-D Amine Salt (625 gm. Liter SL)**

**Identification of the Substance:**

<b>Common Name</b>	2, 4 -D Amine Salt 625g/l
<b>Chemical Name</b>	2, 4-Dichlorophenoxyacetic acid, dimeethylamine salt
<b>Intended Use</b>	Herbicide
<b>Pesticide Family</b>	Phenoxy Herbicide

**Physical and Chemical Properties:**

<b>Appearance &amp; Odour</b>	Reddish Brown
<b>Specific Gravity</b>	<u>1.18@27°C</u>
<b>Boiling Point °C</b>	>100
<b>Vapour Density (air=1)</b>	0.021
<b>Freezing Point °C</b>	0
<b>Vapour Pressure (mm)</b>	20.7
<b>pH</b>	7.5-9.0
<b>Solubility in Water</b>	Soluble

**3. 2,4-D Amine Salt (720 gm. Liter SL)**

**Identification of the Substance:**

<b>Common Name</b>	2, 4 -D Amine Salt 720g/l SL
<b>Chemical Name</b>	2, 4-Dichlorophenoxyacetic acid, dimeethylamine salt
<b>Intended Use</b>	Herbicide
<b>Pesticide Family</b>	Phenoxy Herbicide

**Physical and Chemical Properties:**

<b>Appearance &amp; Odour</b>	Reddish Brown
<b>Specific Gravity</b>	<u>1.20@27°C</u>
<b>Boiling Point °C</b>	>100

<b>Flash Point °C</b>	>190
<b>Vapour Density (air=1)</b>	0.021
<b>Freezing Point °C</b>	0
<b>Vapour Pressure (mm)</b>	20.7
<b>pH</b>	7.5-9.0
<b>Solubility in Water</b>	Soluble

4. 2,4-D Amine Salt (806 gm. Liter SL)

**Identification of the Substance:**

<b>Common Name</b>	2, 4 -D Amine Salt 806g/l SL
<b>Chemical Name</b>	2, 4-Dichlorophenoxyacetic acid, dimeethylamine salt
<b>Intended Use</b>	Herbicide
<b>Pesticide Family</b>	Phenoxy Herbicide

**Physical and Chemical Properties:**

<b>Appearance &amp; Odour</b>	Reddish Brown
<b>Specific Gravity</b>	<u>1.20@27°C</u>
<b>Boiling Point °C</b>	>100
<b>Flash Point °C</b>	>190
<b>Vapour Density (air=1)</b>	0.021
<b>Freezing Point °C</b>	0
<b>Vapour Pressure (mm)</b>	20.7
<b>pH</b>	7.5-9.0
<b>Solubility in Water</b>	Soluble

5. 2,4-D Amine Salt (840 gm. Liter SL)

**Identification of the Substance:**

<b>Common Name</b>	2, 4 -D Amine Salt 840gm/liter
<b>Chemical Name</b>	2, 4-Dichlorophenoxyacetic acid, dimeethylamine salt
<b>Intended Use</b>	Herbicide
<b>Pesticide Family</b>	Phenoxy Herbicide

**Physical and Chemical Properties:**

<b>Appearance &amp; Odour</b>	Reddish Brown
<b>Specific Gravity</b>	<u>1.24-1.25@27°C</u>
<b>Boiling Point °C</b>	>100
<b>Flash Point °C</b>	>190
<b>Vapour Density (air=1)</b>	0.021
<b>Freezing Point °C</b>	0
<b>Vapour Pressure (mm)</b>	20.7

<b>pH</b>	7.5-9.0
<b>Solubility in Water</b>	Soluble

6. 2,4-D Amine Salt (866 gm. Liter SL)

**Identification of the Substance:**

<b>Common Name</b>	2, 4 -D Amine Salt 866gm/liter
<b>Chemical Name</b>	2, 4-Dichlorophenoxyacetic acid, dimeethylamine salt
<b>Intended Use</b>	Herbicide
<b>Pesticide Family</b>	Phenoxy Herbicide

**Physical and Chemical Properties:**

<b>Appearance &amp; Odour</b>	Reddish Brown
<b>Specific Gravity</b>	<a href="#">1.24-1.25@25°C</a>
<b>Boiling Point °C</b>	>100
<b>Vapour Density (air=1)</b>	0.021
<b>Freezing Point °C</b>	0
<b>Vapour Pressure (mm)</b>	20.7
<b>pH</b>	7.5-9.0
<b>Solubility in Water</b>	Soluble

7. 2,4-D Acid Tech (98% min)

**Identification of the Substance:**

<b>Common Name</b>	2, 4 -D Acid Salt 98%
<b>Chemical Name</b>	2, 4-Di chlorophenoxy acetic acid
<b>Intended Use</b>	Herbicide
<b>Pesticide Family</b>	Phenoxy Herbicide

**Physical and Chemical Properties:**

<b>Physical state &amp; Appearance</b>	Off white colored powder
<b>Odor</b>	Slight Phenolic Odor
<b>Molecular Weight</b>	221.04 g/mole
<b>Melting Point</b>	138°C
<b>Critical Temperature</b>	Not Available
<b>Bulk Density</b>	0.43
<b>Vapor Pressure</b>	Not Applicable
<b>Vapor Density</b>	Not Available
<b>Volatility</b>	Not Available
<b>Ionicity (in Water)</b>	Not Available
<b>Dispersion Properties</b>	See Solubility in water, methanol, diethyl ether, acetone
<b>Solubility</b>	Easily Soluble in methanol. Soluble in



	acetone
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8. 2,4-D Ethyl Ester Tech (95% min)

**Identification of the Substance:**

<b>Common Name</b>	2, 4 -D Ethyl Ester Tech
<b>Chemical Name</b>	2, 4-Dichlorophenoxy acetic acid Ethyl Ester
<b>Intended Use</b>	Herbicide
<b>Pesticide Family</b>	Phenoxy Herbicide

**Physical and Chemical Properties:**

<b>Appearance &amp; Odour</b>	Pale yellow to brown colored
<b>Specific Gravity</b>	<u>1.30@25°C</u>
<b>Boiling Point °C</b>	Not Available
<b>Vapour Density (air=1)</b>	Not Available
<b>Freezing Point °C</b>	Not Available
<b>Vapour Pressure (mm)</b>	Not Available
<b>Solubility in Water</b>	Not Soluble

9. 2,4-D 2-Ethylhexyl Ester Tech (96% min)

**Identification of the Substance:**

<b>Common Name</b>	2,4-D Ethylhexyl Ester
<b>Chemical Name</b>	2, Ethylhexyl enster of 2,4 Dichlorophenoxy acetic acid Ethyl Ester
<b>Intended Use</b>	Herbicide
<b>Pesticide Family</b>	Phenoxy Herbicide

**Physical and Chemical Properties:**

<b>Appearance &amp; Odour</b>	Pale yellow to Brown Colored
<b>Specific Gravity</b>	1.15 g/ml@25°C
<b>Boiling Point °C</b>	Not Available
<b>Vapour Density (air=1)</b>	Not Available
<b>Freezing Point °C</b>	Not Available
<b>Vapour Pressure (mm)</b>	Not Available
<b>Solubility in Water</b>	Not Soluble

10. 2,4-D Sodium Salt (95% min)

**Identification of the Substance:**

<b>Common Name</b>	2, 4 -D Amine Salt 95% SP
<b>Chemical Name</b>	Monohydrate Sodium Salt of 2,4-Dichlorophenoxyacetic acid

<b>Intended Use</b>	Herbicide
<b>Pesticide Family</b>	Phenoxy Herbicide

**Physical and Chemical Properties:**

<b>Appearance &amp; Odour</b>	White Colored powder
<b>Bulk Density</b>	0.49 to 0.59
<b>Flash Point</b>	162.8 °C
<b>Solubility in Water</b>	40 GM/LIT (PH 7 at Room tempr)
<b>ODOR</b>	Slightly phenolic
<b>Stability (Conditions to avoid)</b>	Stable (Excessive heat)

11. Hexaconazole (5% min)

**Identification of the Substance:**

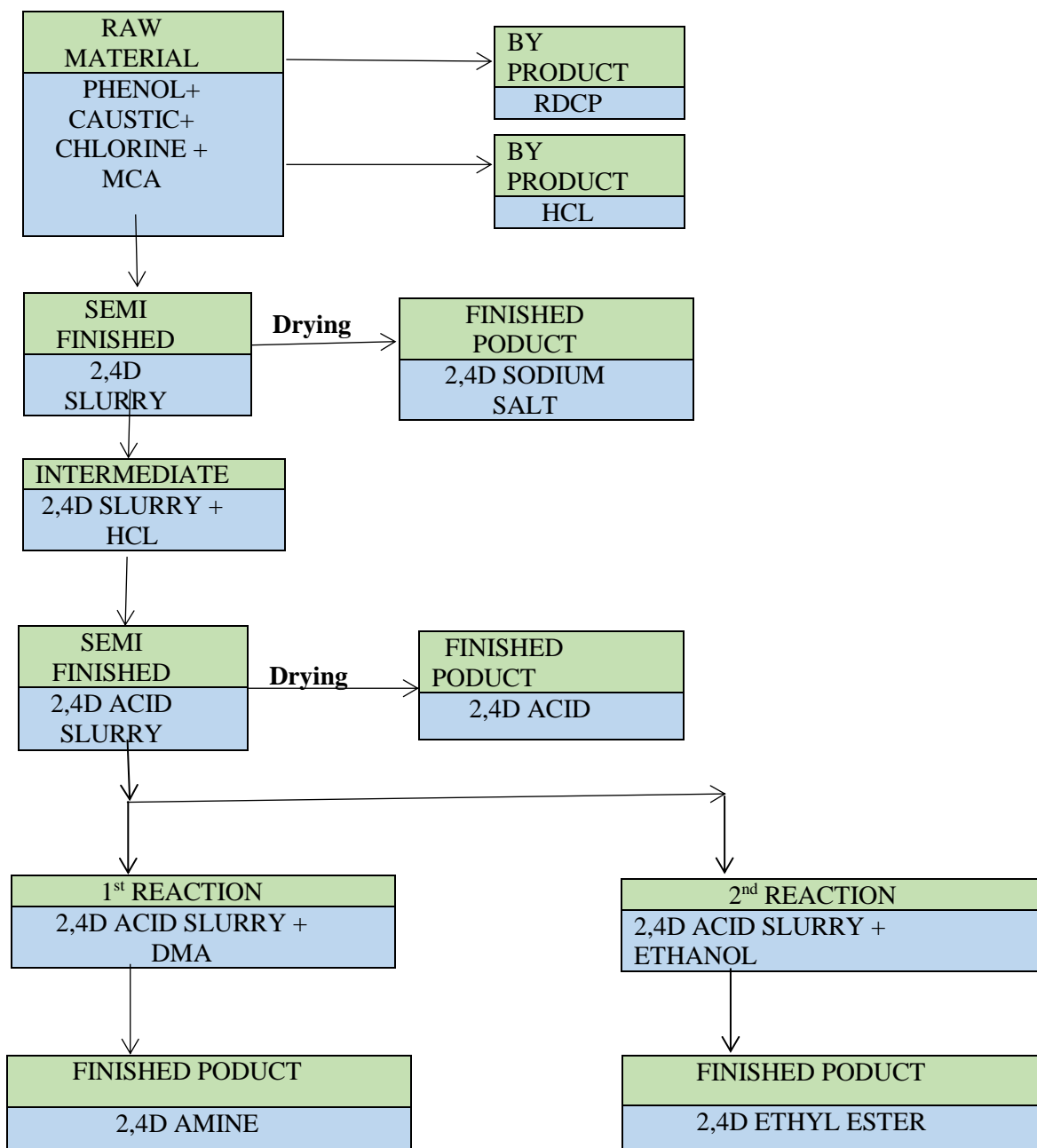
<b>Common Name</b>	Hexaconazole 5% SC
<b>Chemical Name</b>	(RS)-2-(2, 4- dichlorophenyl)-1-(1H-1,2,4-triazol-1-yl) hexan-2-ol
<b>Intended Use</b>	Fungicides

**Physical and Chemical Properties:**

<b>Appearance</b>	Liquid
<b>Colour</b>	White
<b>Odor</b>	Odorless
<b>Density</b>	1.04 g/cm <sup>3</sup>
<b>pH</b>	4-8 at 1% w/v
<b>Solubility in Water</b>	Emulsify in water

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## OUR PROCESS FLOW CHART OF AGRO- CHEMICAL PRODUCTS



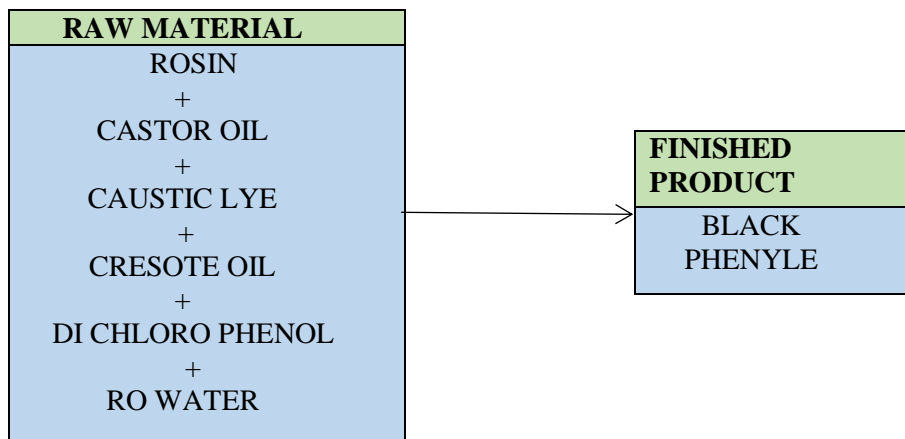
### Process:

At Ambeey, we produce four finished products using the following process:

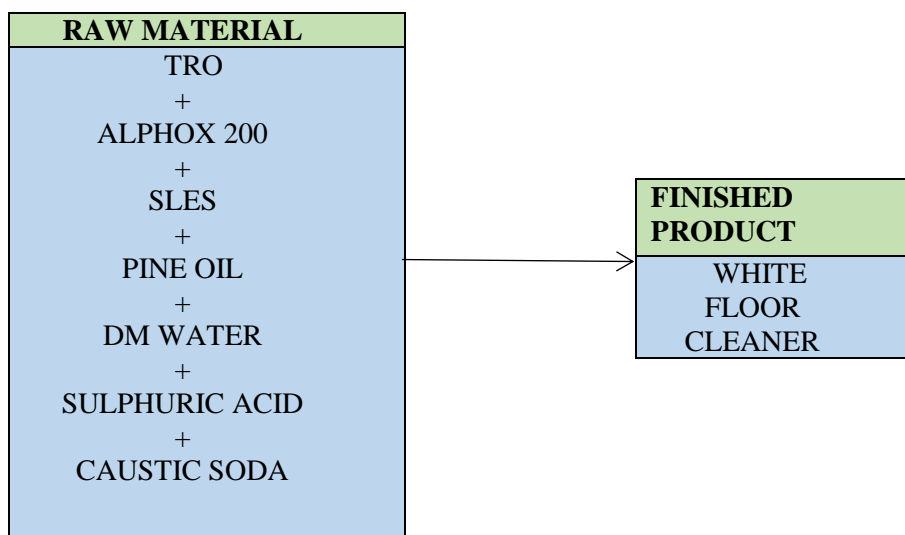
1. Firstly, the raw materials namely Phenol, Caustic Soda, Chlorine and Acetic Acid are mixed together. This produces three products, two by-products, i.e., RDCP and HCL Acid and one semi-finished 2,4D Slurry.
2. When the 2,4D Slurry is dried it gives the finished product called 2,4D Sodium Salt.
3. If the 2,4D Slurry is further mixed with HCL acid, it results in another semi-finished product called 2,4D Acid Slurry. When this product is dried, we get another finished good called 2,4D Acid.
4. In the steps to follow, 2,4D Acid Slurry is used as a raw material and mixed with either DMA or ethanol. This gives two more finished products viz. 2,4D Amine and 2,4D Ethyl Ester.

**PROCESS FLOW CHART FOR HOME HYGIENE PRODUCTS**

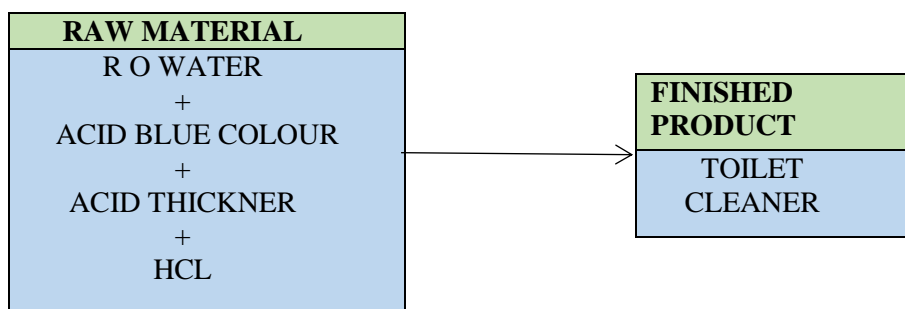
➤ **Black Phenyle**



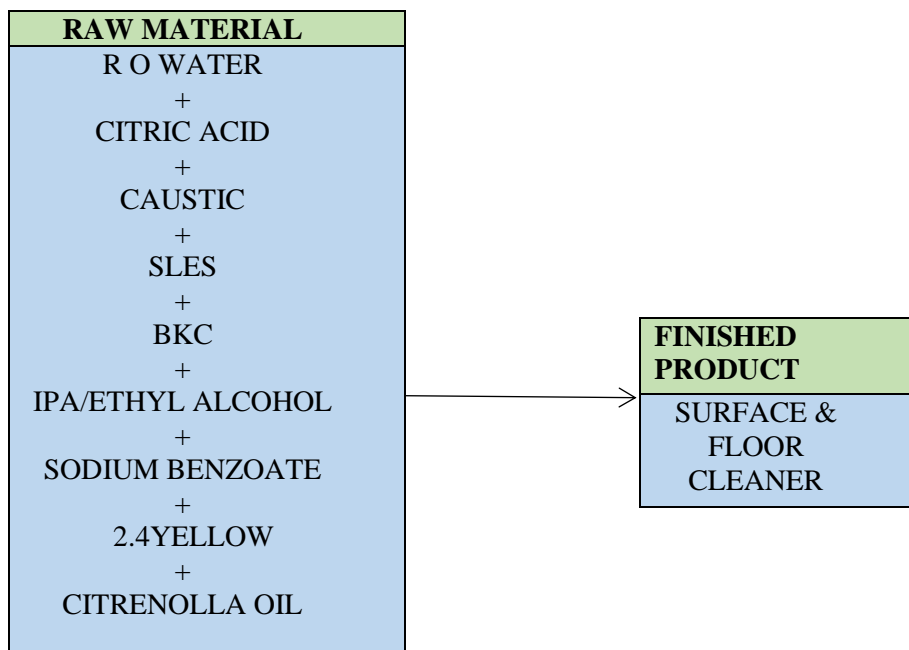
➤ **White Floor Cleaner**



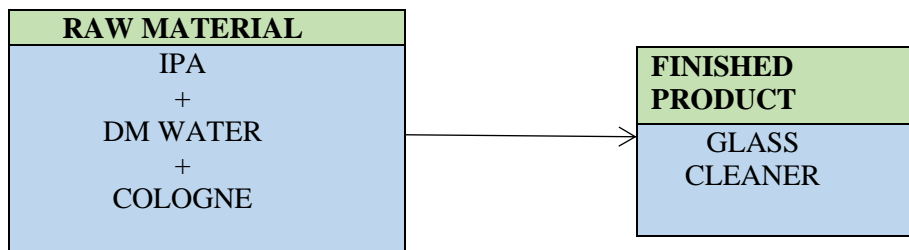
➤ **Toilet Cleaner**



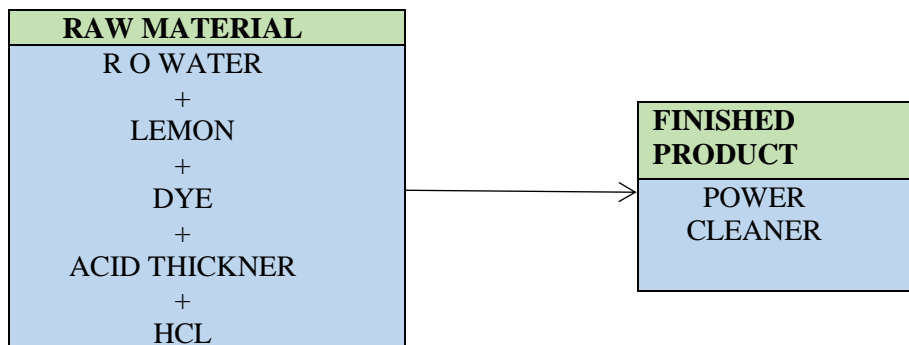
➤ **Surface and Floor Cleaner**



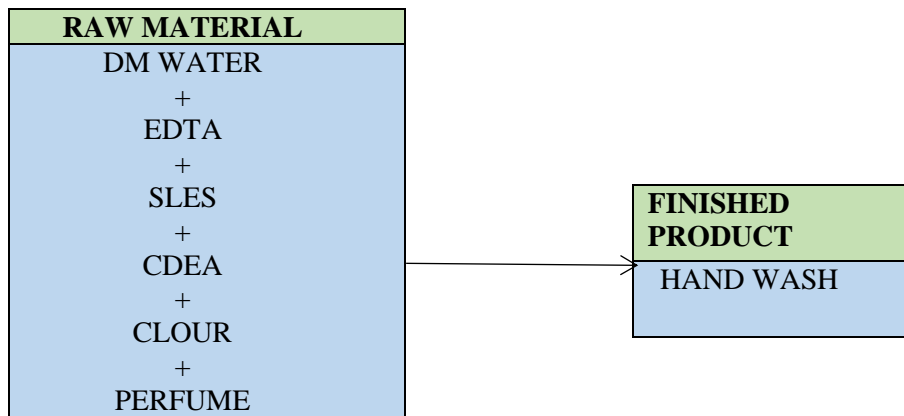
➤ **Glass Cleaner**



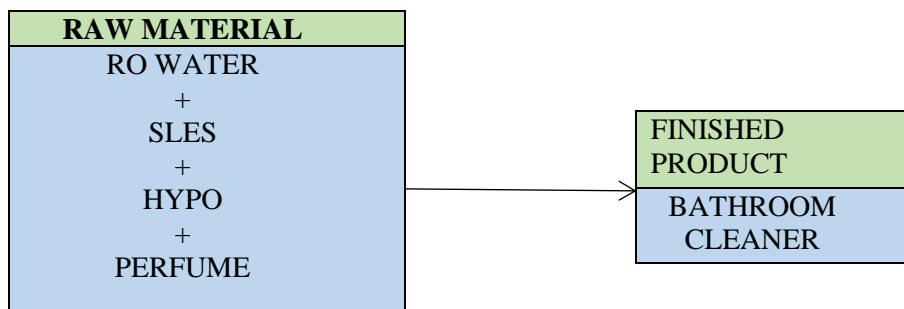
➤ **Power Cleaner**



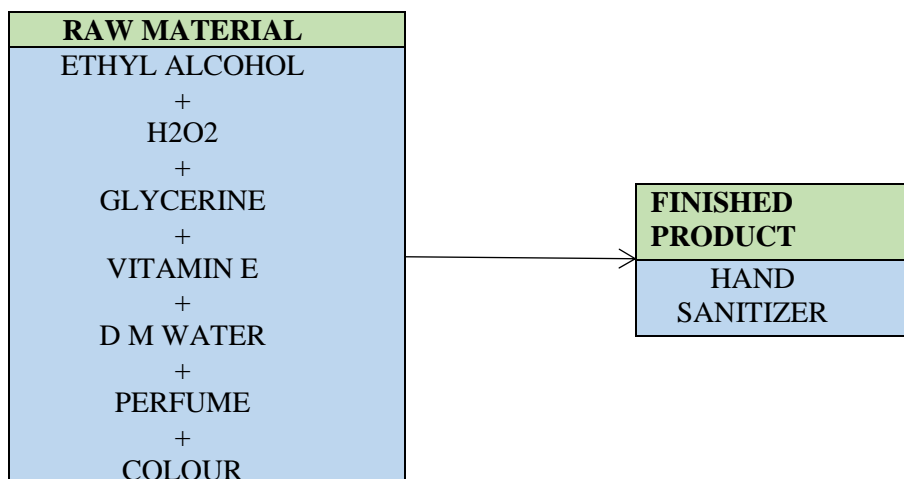
➤ **Hand Wash**



➤ **Bathroom Cleaner**



➤ **Hand Sanitizer**



## OUR COMPETITIVE STRENGTH

Our Company's Strengths are:

### 1. *Experienced Management Team*

Our management team includes professionals with experience in the Agro Chemical Industry. Our Promoters Mr. Archit Gupta, Mr. Arpit Gupta, Ms. Sarina Gupta and Ms. Rishita Gupta brings their entrepreneurial vision and leadership which has been instrumental in growing and sustaining our business operations. We believe that a motivated and experienced employee base is essential for maintaining a competitive advantage. Our motivated team of management and key managerial personnel complement each other to enable us to deliver high levels of client satisfaction. For details regarding the education and experience of our promoter, please refer to chapter titled "*Our Management*" beginning on page no. 172 of the Draft Prospectus.

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

Our Manufacturing Facility is located at SP 1-5, RIICO Industrial Area Sotanala, Behror, Distt. Alwar, Rajasthan. In this estate all the infrastructure facilities such as power, roads facilities, water etc. are developed by State Government. The Manufacturing Facility is strategically located which helps with smooth procurement of raw material from the suppliers and delivery of finished goods to the customers. The vicinity advantage adds to the cost effectiveness and reliability for our suppliers and customers.

### 3. *Quality Assurance and Standards*

Our Company believes in the quality in our process and products. We are committed to deliver good quality products in proper manner at all steps from manufacturing to dispatch. Our dedicated internal quality control team ensures the compliance with good standard practices. We give prime focus to providing quality material to our customers and follow high quality standards.

### 4. *Cordial Relationships with our Suppliers*

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

## BUSINESS STRATEGIES

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

Optimization and reduction of costs remains our key focus area and we continue to work towards attaining cost efficiencies, whether it be in supply chain management or during the production process. Our core team also focuses on the refinement of our manufacturing processes, aimed at improved yield and efficiency, by optimizing and modifications of various parameters through Time and Motion study. We also propose to develop eco-friendly and cost-effective production processes, like using solar power to reduce the electricity bill.

We are also focused on improving our cost efficiency by optimizing the effective sourcing of raw materials, which we have ensured, as a business strategy, over the last several years. Ensuring cost

efficiencies is a significant parameter in order to compete effectively, whether in the domestic market or overseas.

**2. Backward integration for Manufacturing Raw material and forward integration of Finished Goods.**

We intend to backward integrate all Raw materials to the point of basic chemical which will give us opportunity to not only increase the bottom line but also allow us to make more products from the base chemicals. Thus, further increasing the effectiveness of our backward integration.

Forward integration will provide us the benefit of using our capacities to full as it will add another sales dimension to our manufactured products. We will enter the small pack market by selling our manufactured product in our customer brand and also in our own brand. This will give another boost to our bottom line.

**3. Increase in Installed Capacity**

We will increase the capacity of current finished goods and in-house manufacturing of our raw material. This will be done in order to achieve perfect utilization of our batch- making process, also ensure efficient use of fuel and power. Economies of scale will also be achieved to the fullest.

**4. Leveraging our market skills, relationship and leadership position in 2, 4 D**

The approach of our Company is customer-centric and always strives to maintain a good relationship with the customers. Leveraging our market skills and decades of relationships with customers is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to do this by enhancing customer satisfaction. Our Quality Assurance and Quality Control Team ensures good quality products. Our check list method is implemented at various levels of production as well as dispatch to ensure minimum complaints and enhance customer satisfaction.

Agrochemical market is driven by supply management and thus our aim is to supply well on time to our customers for them to feed their markets across India. We intend to leverage our research and sell in all major markets across the world for which we are fully equipped. Our production capacity and capability to manufacture 2, 4 D in large scale will boost our topline growth.

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

The driving force of our business is the ability of us to attain repetitive business from our customers. We intend to continue to leverage our existing sales and marketing network, diversified product portfolio and our industry standing to establish relationships with new multinational, regional and local customers and expand our customer base to grow our market share effectively.

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

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## SWOT ANALYSIS

STRENGTHS	WEAKNESS
<ul style="list-style-type: none"> <li>❖ High Export margins</li> <li>❖ Location Advantage</li> <li>❖ Infrastructure for Contract Manufacturing</li> <li>❖ Licenses for domestic</li> <li>❖ Approved Exports Licenses</li> <li>❖ MOEF clearance of 100 crore expansion of new and existing products</li> </ul>	<ul style="list-style-type: none"> <li>❖ Not being able to Catch up with the market demand of exports.</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>❖ Export Potential</li> <li>❖ New Products</li> <li>❖ Growing Demand</li> </ul>	<ul style="list-style-type: none"> <li>❖ Deals in Hazardous Products</li> <li>❖ Changes in Government Policies</li> <li>❖ Consumer Sentiments</li> <li>❖ New Competitor</li> </ul>

## SALES AND MARKETING STRATEGY

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

Our company mainly follows mouth to mouth marketing and in-person visits and calls to existing and proposed customers. We undertake marketing in a traditional way in guidance of our promoter through marketing team. We follow mouth to mouth and B&B marketing headed by our promoters Mr. Archit Gupta and Mr. Arpit Gupta.

We as a company believe in selling our product by managing availability of the product in the market. And then we create demand through PULL strategy. We regularly take part in various trade shows such as ChemExpo and CPHI in India and visit other global shows for customer interactions and developments. Our team visits our customers on annually basis.

## COLLABORATIONS

Except as disclosed in this Draft Prospectus and in our normal course of business, we do not have any collaboration as on date

## EXPORT OBLIGATION

Our Company does not have any export obligations, as on date of this Draft Prospectus.

## DETAILS OF RAW MATERIAL AND COMPONENTS

S. No.	Agro -Chemical Products
--------	-------------------------

1	Phenol
2	Chlorine
3	Acetic Acid
4	Caustic Soda
5	Ethanol
6	Di Methyl Amine

S. No.	Home Hygiene Products
1	Alfox 200
2	Acid Thickner
3	Acid Blue Dye
4	Amine Oxide
5	Bkc
6	Capb
7	Castor Oil
8	CAUSTIC Lye 48%
9	Cdea
10	Citric Acid
11	Citronella Oil
12	Colors
13	Creosite Oil
14	Di Chloro Phenol
15	DM Water
16	Edta
17	Ethanol
18	Hcl - 30 - 32%
19	Hypo
20	Iso Propyl Alcohol
21	Labsa (Linear Alkyl Benzene Sulphonic Acid)
22	Napthalene Balls
23	Perfumes
24	Pine Oil 32%
25	R O Water
26	Rosin

27	Salt
28	SLES - Sodium Lauryl Ether Sulfate
29	Sodium Benzoate Powder
30	Sulphuric Acid

The Raw Material used in the manufacturing of products are procured from Pan India across different states like Delhi, Maharashtra, Gujrat, Madhya Pradesh, Uttar Pradesh, Punjab etc. We procure raw material after considering the Quotation received from every vendor. Further, we also verify the quality of raw material to be used in the manufacturing of our products.

### FUTURE BUSINESS PLAN

- The future business plan of company is to produce the raw material using the backward integration technique which the company acquired from the third party.
- Backward integration involves a company expanding its operations by incorporating the production of raw materials used in its manufacturing process.
- For a raw material production business, implementing backward integration can enhance control over supply chains, reduce dependency on external suppliers, and potentially improve cost efficiency.

### PLACE OF BUSINESS OF THE COMPANY

The Company having its offices in following places:

Sr. No.	Particulars	Address
1.	Registered Office	Ground Floor, Property No.555 Tarla Mohalla, Ghitorni New Delhi South West Delhi DL 110030 India
2.	Corporate office/ Plant	B18/9, DLF Phase -1 Sector 26A, Gurugram-122002 Gurugram HR 122002 India
3.	Factory Premises	SP-1/5, Sotanala Industrial Area Behror, Alwar, Rajasthan- 301701

*Note: For detailed information of above-mentioned places of business please refer "Land & Properties" in section "Our Business" on page no. 130 of this Draft Red Herring Prospectus.*

### PLANT AND MACHINERY (AGRO -CHEMICAL PRODUCTS)

S.NO.	EQUIPMENT	CAPACITY/SIZE	QTY
1	Reactor	10 KL	5
2	Reactor	8 KL	1
3	Reactor	6.3 KL	3
4	Reactor	20 KL	2
5	Reactor	5 KL	7
6	Reactor	3.5 KL	2
7	Reactor	10 KL	1

8	Reactor	8 KL	3
9	Reactor	5 KL	4
10	Reactor	4 KL	2
11	Reactor	5 KL	1
12	Reactor	4 KL	2
13	Storage Tank	10 KL	9
14	Storage Tank	12 KL	3
15	Storage Tank	20 KL	6
16	Storage Tank	2.5 KL	1
17	Storage Tanks	20 KL	1
18	Storage Tanks	20 KL	1
19	Storage Tanks	28 KL	4
20	Ffa	-	2
21	Heat Exchanger	10 Sqm	11
22	Heat Exchanger	20 Sqm	3
23	Agitated Nutche Filter	7 KL	2
24	Agitated Nutche Filter	9 KL	2
25	Agitated Nutche Filter	5 KL	1
26	Dryer - Spin Slash	500 KG/HR	1
27	Ribbon Blener	3 KL	1
28	Ribbon Blener	1 kl	1
29	Dosing Tank	2 KL	1
30	Dosing Tank	1.5 KL	7
31	Dosing Tanks	2.5 KL	1
32	Sparkler Filter	1000 LITRE/HR	1
33	Ventury	-	1
34	Nutsch Filter	2 KL	2
35	Reciver Tanks	3 KL	1
36	Reciever Tanks	2.5 KL	1
37	Reciever Tanks	2.5 KL	1
38	Pnf	-	1
39	Agitated Nitche Filter	5 KL	3
40	Dryer - Spin Flash	250 KG/Hr	1
41	Ffa	-	3
42	Dosing Tanks	1 KL	7
43	Dosing Tank	2 KL	2
44	Storage Tanks	10 KL	3
45	Storage Tanks	10 KL	2
46	Heat Exchanger	10 SQMT	2
47	Sparkler Filter	-	2
48	Centrifuge	60"	3
49	Centrifuge	48 "	2
50	Centrifuge	48"	1

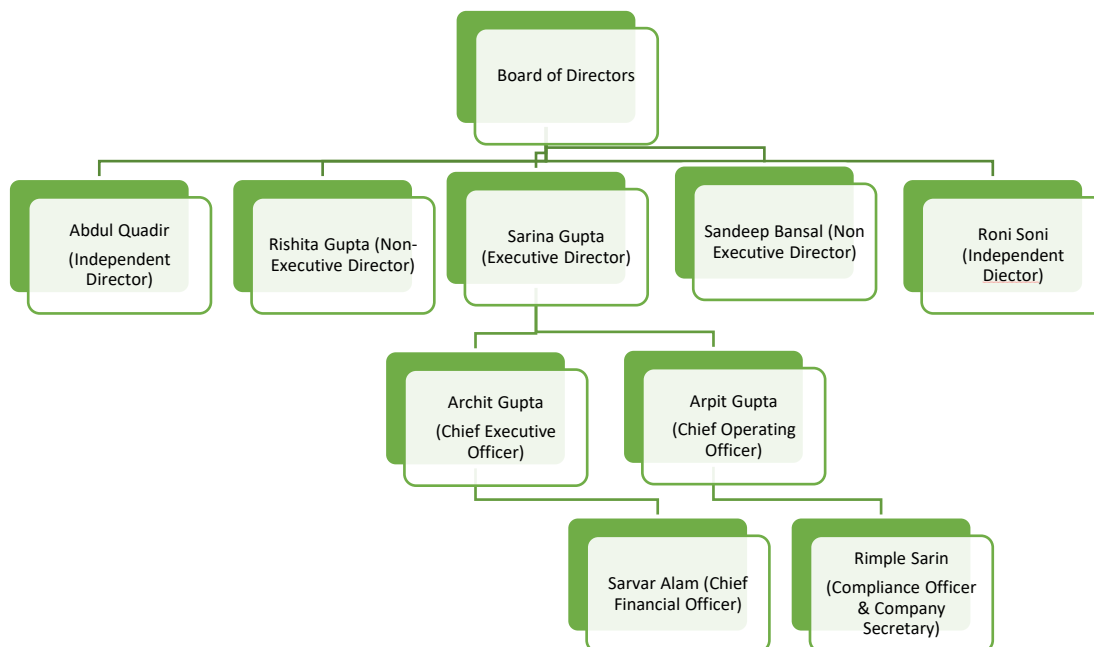
51	Centrifuge	36"	1
52	Rvd	-	1
53	Dosing Tank	1 KL	3
54	Ventury	-	1
55	Cooling Tower	500 tr, 250 tr	2
56	Dg Set	500 KVA	1
57	Dg Set	125 KVA	1
58	Dg Set	250 KVA	1
59	Water Softner	-	1
60	Compressor	75 CFM	4
61	Compressor	120 CFM	1
62	Boiler	2 Ton	1
63	Boiler	400 KG/HR	1
64	Boiler	600 KG/HR	1
65	Ventury	-	
66	Chilling Plant	25 TR	1
67	Chilling Plant	48 TR	1
68	Chilling Plant	50 TR	1
69	Weighbridge	100 MT	1
70	Mee	-	1
71	Settler Tank	-	2
72	Sand Filter	-	2
73	Carbon Filter	-	2
74	Flash Mixer	-	1
75	Flocculator	-	1
76	Uf	-	1
77	Ro	-	1
78	Photo Oxidation	-	1
79	Powder Filling Machine	-	1
80	Liquid Filling Machine	-	1
81	Liquid Filling Machine	-	1
82	Liquid Filling Machine	-	5
83	Printing Machine	-	2
84	Reactor	5 KL	2
85	Reactor	3 KL	2
86	Reactor	5 KL	1
87	Agitated Nutche Filter	3 KL	1
88	Nutsch Filter	2 KL	2
89	Centrifuge	36"	2
90	Filter Press	1000 LITRE /HR	2

**PLANT AND MACHINERY (HOME HYGIENE PRODUCT)**

S.NO.	EQUIPMENT	CAPACITY/SIZE	QTY
1	Reactor	5 KL	1
2	RO Plant	1000 LPH	1
3	Dm Water Plant		1
4	Reactor	2 KL	2
5	Pneumatically Oprated FFS Machine Wirh Change Part	-	1
6	Storage Tank	2 KL	1
7	Agiatator VFD with control pannel	-	1
8	Transfer Pump SMP GMP with FLPM Level measuring	-	1
9	Level Guage Measuring TAFC Silicon foos grade pipe line	-	1
10	Sparkler Filter Press 8X8 FLPM	-	1
11	Sparkler Filter Press 18X15 FLPM	-	1
12	Hand Sanitizer Plant FLPM (HSM Mixer + Storage tank etc)	-	1
13	Sanitizer Filter Model- ME-8X8	-	1
14	Ethnol Sanitizer transfer pump	-	2
15	Storage Tank	2 KL	1
16	Slat Chain Conveyar 8 Fee Long	-	1
17	8 Head Linear Filling Machine	-	1
18	Semi Automatic Litters Twin Head filling Machine Flow Metric Design	-	1
19	Sanitizer Filling Machine Model Twin Head Desktop	-	1
20	Service Tank	-	1
21	Filling Machine Model Twin Head Desktop & SS Slat chain Conveyar 6 Feet	-	1
22	Storage Tank	10	5

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## ORGANIZATIONAL STRUCTURE



## CAPACITY UTILISATION

PRODUCT	2020-21			2021-22		2022-23		2023-24 (31st Oct-2023 Capacity utilization)	
	Installed Capacity (MTPA)	QTY	%age	QTY	%age	QTY	%age	QTY	%age
2, 4-D	5000	4187	84%	3693	74%	3341	67%	1930	66%
PRETILACHLOR	1000	164	66%	42	4%	365	146%	91	16%
METRIBUZINE	250	57	23%	0	0%	-	0%	-	0%
CHLOROPYRYPHOS + Lambda Cyhalothrine Tech + Hexaconazole Tech	200	3	2%	0	0%	66	33%	35	30%
CLODINAFOF	100	0	0%	8	4%	-	0%	44	75%
Battery Sprayer	-	0							
Battery Sprayer Machine	-	0							
Hypox	-	0							

Manual Sparyer Machine	-	0								
Mist. Sprayer Machine	-	0								
Phenolic Compounds	-	241				202		249		
Sodium Hypochlorite	-	182		13						
Phenolic Complex Compund	-	1288		1214		1940		375		
Empty MS Drums	-	1		0						
Packing Metrial	-									
Ferrus Sulphate	-	2								
PEDA	-	16								
Technical (Clomazone)	-							10		
Technical (Fipronil)	-							6		
Thiamathon Tech	-							22		
2,6 Di Ethyl Phenyl	-							76		
3-Chloropropyne DMF	-			0						
4 Hydroxyphenoxy Propionic Acid	-			1						
DCP(Fesh)	-			2						
Di-Methyl Formide - DMF	-			1						
Rotary Vaccum Dryer	-			0						
2,3-Difluoro-5-Chloropyridine	-			1						
Recovered Solvent	-					17				
Chloro Acetyle Chloride	-					9				
Potassium Carbonate Powder	-					4				
Sale of Export Scrips	-									
Scrap Sale	-									
		6550	4411	67%	3743	57%	3772	58%	2100	55%
PRODUCT	Cartons	Cartons		Cartons		Cartons		Cartons		
Home Hygine Products	108000	6319	8%	22649	21%	52338	48%	38850	62%	



## UTILITIES & INFRASTRUCTURE FACILITIES

### Power

Our Company requires power for the normal requirement of our registered office and corporate office/plant for lighting, Computer systems etc.

Power supplies for our registered office is met through the electric supply by the BSES Rajdhani Power Limited. Further, adequate power is available at Ground Floor, Property No.555 Tarla Mohalla, Ghitorni New Delhi South West Delhi 110030.

Power supplies for our corporate office is met through the electric supply by the Dakshin Haryana Bijli Vitran Nigam. Further, adequate power is available at B18/9, DLF Phase -1 Sector 26A, Gurugram-122002, Haryana, India.

Power supplies for our factory premises is met through the electric supply by the Jaipur Vidyut Vitran Nigam Limited. Further, adequate power is available at SP-1/5, Sotanala Industrial Area Behror, Alwar, Rajasthan- 30170, India

### Water

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

### Infrastructure

Our Company has its Manufacturing Plant situated at SP 1-5, RIICO Industrial Area Sotanala, Behror, Distt. Alwar, Rajasthan-301701 of 20000 SQM (Approx).

## HUMAN RESOURCE

We believe that a motivated and empowered employee base is the key to our operations and business strategy. We have developed a large pool of skilled and experienced personnel. Currently we have 220 full time employees as on October 31, 2023. Our manpower is a prudent mix of the experienced and young people which gives us the dual advantage of stability and growth, whereas execution of services within time and quality. Our skilled resources together with our strong management team have enabled us to successfully implement our growth plans.

## DEPARTMENT WISE BREAK-UP

OFFICES	
Description	No. of Employees
Accounts	7
Admin	10
Sales/ Marketing	5
Purchase	3
<b>Total</b>	<b>25</b>
FACTORY	
Description	No. of Employees
Admin	22

Production	63
Contract Workers	110
<b>Total</b>	<b>195</b>

### FINANCIAL ACHIEVEMENTS OF THE COMPANY

(Amount in Lakhs)

Particulars	For the period ended 31 <sup>st</sup> October, 2023	For the period ended 31 <sup>st</sup> March, 2023	For the period ended 31 <sup>st</sup> March, 2022	For the period ended 31 <sup>st</sup> March, 2021
Share Capital	1,868.88	1,774.94	1,774.94	489.35
Reserves & Surplus	1,432.58	588.66	131.73	(1,275.74)
Net Worth	3,301.46	2,363.60	1,906.67	(786.39)
Total Income	7,005.60	10,743.47	8,511.19	8,241.54
PAT	472.86	456.93	357.47	1,033.67

### GEOGRAPHICAL WISE REVENUE BREAKUP

The Geographical Wise Revenue Breakup of the company are as follows:

(Amount in Lakhs)

State Name	For the period ended 31 <sup>st</sup> October 2023	For the period ended 31 <sup>st</sup> March, 2023	For the period ended 31 <sup>st</sup> March, 2022	For the period ended 31 <sup>st</sup> March, 2021
<b>Domestic sales</b>				
Delhi	2057.26	394.94	163.74	6918.65
Haryana	4048.53	9460.53	6528.59	267.28
Uttar Pradesh	-	-	-	61.68
Gujarat	-	174.57	10	56.07
Maharashtra	-	6.82	222	66
Rajasthan	44.73	1.67	5.49	6
<b>Total (A)</b>	<b>6150.52</b>	<b>10038.53</b>	<b>6929.82</b>	<b>7375.68</b>
<b>Export</b>				
Thailand	842.82	430.03	1526.34	674.77
Turky	-	-	-	123.46
Labanon	-	-	3.87	-
Nepal	-	13.53	-	-
<b>Total (B)</b>	<b>842.82</b>	<b>443.56</b>	<b>1530.21</b>	<b>798.23</b>
<b>Grand Total (A+B)</b>	<b>6993.34</b>	<b>10482.09</b>	<b>8460.03</b>	<b>8173.93</b>

## PRODUCT WISE REVENUE BREAKUP

The product wise revenue breakup of the Company are as follows:

(Amount in Lakhs)

Product	For the period ended 31 <sup>st</sup> October, 2023	For the period ended 31 <sup>st</sup> March, 2023	For the period ended 31 <sup>st</sup> March, 2022	For the period ended 31 <sup>st</sup> March, 2021
2,4-D Acid	11.25	-	204.73	13.76
2,4-D Amine	1,307.72	4,222.71	4,112.58	3,576.85
2,4-D Ethyl Ester	820.31	1,416.48	728.40	973.71
2,4-D Sodium	1,168.62	1,634.71	2,675.02	1,858.10
Pretilachlor Technical	383.85	1,848.41	182.43	586.13
Lambda Cyhalothrine Tech	463.29	-	-	-
Clodinafop	1,432.42	-	-	-
Hexaconazole Tech	180.87	-	-	-
Technical (Clomazone)	123.73	-	-	-
Technical (Fipronil)	289.50	-	-	-
Thiamathon Tech	306.76	-	-	-
Black Phenyle	57.47	82.14	37.28	9.59
White Floor Cleaner	54.76	60.65	31.76	4.72
Toilet Cleaner	89.37	106.96	22.76	5.21
Surface Floor Cleaner	13.58	15.06	3.56	-
Power Cleaner	5.51	14.13	8.12	4.67
Glass Cleaner	9.01	15.68	0.23	0.69
Moth Repellent Balls (Naphthalene Balls)	10.10	27.97	3.51	7.19
Hand Wash	5.90	8.55	2.10	2.33
Bathroom Cleaner	8.83	5.63	1.87	-
Hand Sanitizer	1.13	3.47	19.48	-
others	249.38	1,019.56	426.23	1,112.93
<b>Total</b>	<b>6,993.36</b>	<b>10,482.12</b>	<b>8,460.07</b>	<b>8,173.94</b>

## COMPETITION

We operate in a competitive industry. We face competition in our business from larger corporates only. There is a huge entry barrier in our industry when it comes to manufacturing technical like we do. We compete with our competitors on a regional or product line basis. Two of our competitors have substantially large capital base and resources than we do and offer broader range of products.

We believe that the principal factors affecting competition in our business include relative quality, client relationships, reputation, the abilities of employees, market focus, timely delivery and price of the services and products. We believe that our cost effective and integrated offerings, our focus on customer satisfaction and our reliability combined with our quality consciousness provides us with competitive advantage in our business.

### Our major Competitors:

- Atul Limited
- Meghmani Organics Limited

## INSURANCE

Our Company has insurance coverage which we consider reasonably sufficient to cover all normal risks associated with our operations and which we believe is in accordance with the industry standards.

Our Company has taken following insurance policies against any damage or loss:

S. No.	Insurer	Description of Property Insured
1.	Bajaj Allianz General Insurance Company Ltd. (Policy No: - OG-24-1104-1801-00002180)	Private Car Package Policy (DL4CNA3637) Insured till 08.05.2024. IDV in Rs. 18,17,527
2.	Bajaj Allianz General Insurance Company Ltd. (Policy No: - OG-24-1104-1801-00015718)	Private Car Package Policy Insured till 04.12.2024 Midnight. IDV in Rs. 7,67,637
3.	ICICI Lombard GIC Ltd. (Policy No: 3001/310700062/00/000)	Private Car Package Policy (DL12CG6375) Insured till 13.10.2024. IDV in Rs. 5,61,330
4	Bajaj Allianz General Insurance Company Limited (Policy No: - OG-24-1102-2802-00000171)	Employees Compensation Insurance Insured till 10.09.2024 IDV in Rs. 1,35,005
5	ICICI Lombard General Insurance Company LT D (Policy No: - 4005/319420471/00/000)	Group Personal Accident Insured till 30.11.2024 Midnight IDV in Rs. 6,90,00,000
6	Bajaj Allianz General Insurance Company Ltd. (Policy No: - OG-24-1104-3304-00000001)	Public Liability (ACT) Policy Insured till 08.05.2024 IDV in Rs. 15,00,00,000
7	Iffco Tokio General Insurance Co. Ltd. (Policy No: - 1-2VD6F97R)	Commercial Vehicle Insurance (RJ02GB1689) Insured till 30.06.2024 IDV in Rs. 7,96,262
8	Iffco Tokio GIC Ltd. (Policy No: - 44385951)	Burglary And House Breaking Insurance Insured till 01.07.2024 IDV in Rs. 41,00,00,000
9	Iffco Tokio General Insurance Co. Ltd. (Policy No: - 12626313)	Bharat Laghu Udhya Suraksha (Standard Fire Policy) Insured till 01.07.2024 IDV in Rs. 49,50,00,000

## LAND & PROPERTIES

S. No.	Address	Area	Owned/Leased	Usage
1	Ground Floor, Property No.555 Tarla Mohalla, Ghitorni New Delhi South West Delhi DL 110030 India	891 Sq.Ft	Rented	Registered Address
2	B18/9, Dlf Phase -1 Sector 26A, Gurugram-122002 Gurugram HR 122002	3500 Sq.Ft	Rented	Corporate Office
3	SP-1/5, Sotanala Industrial Area Behror, Alwar, Rajasthan- 301701	20,183 Sq. Ft	Owned	Factory Premise

## INTELLECTUAL PROPERTY RIGHTS

Presently, Company has neither registered trademark nor it has made application for registering any trademark.

## WEBSITE DETAILS

Domain name and ID	Sponsoring Registrar	Creation Date	Registry Expiry Date	Current Status
ambeylab.com 2237013387_DOMAIN_COM- VRSN	Godaddy	2018-03- 09T01:20:44Z	2024-03- 09T01:20:44Z	Live

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## **KEY REGULATIONS AND POLICIES**

*The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local laws. The following description is an overview of certain laws and regulations in India, which are relevant to our Company. Certain 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 Applicants and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

### **RELATED TO OUR BUSINESS**

#### **THE DRUGS AND COSMETICS ACT, 1940**

The Drugs and Cosmetics Act, 1940, is a pivotal piece of legislation in India that governs the manufacturing, import, distribution, and sale of drugs and cosmetics. Enacted on April 10, 1940, the Act serves as a comprehensive regulatory framework aimed at ensuring the safety, efficacy, and quality of pharmaceutical products, as well as safeguarding the interests of consumers and promoting public health. It addresses a wide spectrum of products, ranging from over-the-counter medications to prescription drugs and various cosmetic formulations.

The Act vests regulatory authority in the Central Drugs Standard Control Organization (CDSCO), operating under the Ministry of Health and Family Welfare. Tasked with formulating and implementing policies, the CDSCO plays a crucial role in overseeing compliance at both central and state levels, working in tandem with State Drug Control Organizations. Licensing and registration requirements form a cornerstone of the Act, obligating manufacturers, importers, and distributors to adhere to specified standards and Good Manufacturing Practices (GMP). The Act's meticulous classification of drugs into distinct categories, such as prescription medications, over-the-counter drugs, and controlled substances, determines accessibility and the level of regulatory scrutiny. This classification is pivotal for ensuring public safety and health.

#### **THE HAZARDOUS CHEMICALS RULES, 1986**

The Hazardous Chemicals Rules, 1986, constitute a vital regulatory framework in India designed to oversee the import, manufacture, storage, handling, and sale of hazardous chemicals. Enacted under the Environment (Protection) Act, 1986, these rules aim to prevent accidents and mitigate the impact of chemical incidents on both human health and the environment. The classification of chemicals as hazardous is rooted in their intrinsic properties, and the rules impose strict obligations on industries to comply with safety measures, conduct risk assessments, and implement effective risk management strategies.

Central to the Hazardous Chemicals Rules is the emphasis on labeling, packaging, and the provision of Material Safety Data Sheets (MSDS) for each hazardous chemical. These measures ensure that crucial information about the nature, risks, and safe handling procedures of the chemicals is communicated effectively. Furthermore, the rules mandate the development of on-site emergency plans by industries dealing with hazardous chemicals, enhancing overall preparedness and responsiveness in the event of an incident. Enforced by regulatory authorities at both central and state levels, the rules undergo continual refinement to address emerging challenges and align with international standards, reaffirming their pivotal role in fostering safe practices within the chemical industry.

#### **THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

The Micro, Small and Medium Enterprises Development Act, 2006 as amended from time to time (MSMED

Act) seeks to facilitate the development of micro, small and medium enterprises. The MSMED Act provides that where an enterprise is engaged in the manufacturing and production of goods pertaining to any industry specified in the first schedule to the industries (Development and Regulation) Act, 1951, the classification of an enterprise will be as follows:

1. where the investment in plant and machinery does not exceed twenty-five lakh rupees shall be regarded as a micro enterprise;
2. where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees shall be regarded as a small enterprise;
3. Where the investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees shall be regarded as a medium enterprise.

The MSMED Act provides for the memorandum of micro, small and medium enterprises to be submitted by the relevant enterprises to the prescribed authority. While it is compulsory for medium enterprises engaged in manufacturing to submit the memorandum, the submission of the memorandum by micro and small enterprises engaged in manufacturing is optional. The MSMED Act defines a supplier to mean a micro or small enterprise that has filed a memorandum with the concerned authorities. The MSMED Act ensures that the buyer of goods makes payment for the goods supplied to him immediately or before the date agreed upon between the buyer and supplier. The MSMED Act provides that the agreed period cannot exceed forty-five days from the day of acceptance of goods. The MSMED Act also stipulates that in case the buyer fails to make payment to the supplier within the agreed period, then the buyer will be liable to pay compound interest at three times of the bank rate notified by the Reserve Bank of India from the date immediately following the date agreed upon. The MSMED Act also provides for the establishment of the Micro and Small Enterprises Facilitation Council (—Council”). The Council has jurisdiction to act as an arbitrator or conciliator in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India.

The MSMED act provides for appointment and establishment of National Board by the Central Government for MSME enterprise with its head office at Delhi. The Central Government may from time to time for the purpose of promotion and development of the MSME and to enhance the competitiveness in the sector organize such programmes, guidelines or instructions, as it may deem fit. In case of any offences under this act, no court inferior to that of Metropolitan Magistrate or Chief Metropolitan Magistrate shall try the offence under this act.

### **INSECTICIDE ACT, 1968**

The Insecticide Act of 1968 governs the import, manufacture, sale, transportation, distribution, and use of pesticides in order to reduce the risk of harm to people or animals, as well as other related issues. According to Insecticide Act 1968, pesticides (including fungicides and weedicides) blanketed within the Insecticide Schedules.

The Act was passed based on the recommendations of an Expert Committee headed by Prof. M.S. Thacker, set up in 1958 for the purpose of enquiring and suggesting the remedial measures following a number of deaths in Kerala and Madras. The Act was brought into effect from 1<sup>st</sup> August 1971 to regulate the manufacturing and distribution of insecticides across the nation.

## **LABOURS LAWS**

India has extensive labour related legislations. Certain other laws and regulations that may be applicable to our Company in India include the following which is an indicative list of labour laws applicable to the business and operations of Indian companies:

- Employees Compensation Act, 1923;
- Workmen's Compensation Act, 1923;
- Employees (Provident Fund and Miscellaneous Provisions) Act, 1952;

- Employees State Insurance Act, 1948;
  - Industrial Disputes Act, 1947;
  - Industrial Employment (Standing orders) Act 1946;
  - Child Labour (Prohibition and Regulation) Act, 1986
  - Maternity Benefit Act, 1961;
  - Minimum Wages Act, 1948;
  - Payment of Bonus Act, 1965;
  - Payment of Gratuity Act, 1972;
  - Payment of Wages Act, 1936;
  - Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- and

## **TAXATION LAWS**

### **INCOME-TAX ACT, 1961**

The Government of India imposes an income tax on taxable income of all persons including individuals, Hindu Undivided Families (HUFs), companies, firms, association of persons, body of individuals, local authority and any other artificial judicial person. Levy of tax is separate on each of the persons. The levy is governed by the Indian Income Tax Act, 1961. The Indian Income Tax Department is governed by CBDT and is part of the Department of Revenue under the Ministry of Finance, Govt. of India. Income tax is a key source of funds that the government uses to fund its activities and serve the public. The quantum of tax determined as per the statutory provisions is payable as: a) Advance Tax; b) Self-Assessment Tax; c) Tax Deducted at Source (TDS); d) Tax Collected at Source (TCS); e) Tax on Regular Assessment.

### **THE GOODS AND SERVICE TAX ACT, 2017**

The Goods and Services Tax (“GST”) is levied on supply of goods and services or both jointly by the Central Government and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by the Central Government and by the state government including union territories on intra-state supply of goods or services. Further, Central Government levies GST on the inter-state supply of goods or services. The GST is enforced through various acts viz. Central Goods and Services Act, 2017 (“CGST”) relevant State’s Goods and Services Act, 2017 (“SGST”), Union Territory Goods and Services Act, 2017 (“UTGST”), Integrated Goods and Services Act, 2017 (“IGST”), Goods and Services (Compensation to States) Act, 2017 and various rule made thereunder.

## **INTELLECTUAL PROPERTY LAWS**

### **TRADEMARKS ACT, 1999 (TM ACT)**

A trademark is used in relation to goods so as to indicate a connection in the course of trade between the goods and a person having the right as proprietor or user to use the mark. The Trademarks Act, 1999, (Trademarks Act) governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a trademark. Registration is valid for a period of 10 years but can be renewed in accordance with the specified procedure. As per the Trademarks (Amendment) Bill, 2009, Registrar of Trade Marks is empowered to deal with international applications originating from India as well as those received from the International Bureau and maintain a record of international registrations. It also removes the discretion of the Registrar to extend the time.

### **COPYRIGHTS ACT, 1957**

The Copyrights Act governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings.



Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act apply to nationals of all member states of the World Trade Organization.

While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favoring ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years.

The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner. The Copyright Act also provides for criminal remedies, including imprisonment of the accused, imposition of fines and seizure of infringing copies.

### **PATENTS ACT, 1970 (Patent Act)**

The purpose of the Patent Act in India is to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the term of the patent. An application for a patent can be made by (a) person claiming to be the true and first inventor of the invention; (b) person being the assignee of the person claiming to be the true and first invention in respect of the right to make such an application; and (c) legal representative of any deceased person who immediately before his death was entitled to make such an application. Penalty for the contravention of the provisions of the Patents Act include imposition of fines or imprisonment or both.

## **PROPERTY RELATED LAWS**

### **TRANSFER OF PROPERTY ACT, 1882**

The transfer of property, including immovable property, between living persons, as opposed to the transfer of property by operation of law, is governed by the Transfer of Property Act, 1882. This Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. The Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred:

- Sale: the transfer of ownership in property for a price paid or promised to be paid.
- Mortgage: the transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The Act recognizes several forms of mortgages over a property.
- Charges: transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g., decree of the court attaching to specified immovable property, or by an act of the parties.
- Leases: the transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.

### **REGISTRATION ACT, 1908 (THE “REGISTRATION ACT”)**

The Registration Act has been enacted with the objective of providing public notice of the execution of documents affecting, inter alia, the transfer of interest in immovable property. The purpose of the Registration Act is the conservation of evidence, assurances, title and publication of documents and prevention of fraud. It details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, among other things, any non-

testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in any immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. A document will not affect the property comprised in it, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under the TP Act or as collateral), unless it has been registered. Evidence of registration is normally available through an inspection of the relevant land records, which usually contains details of the registered property. Further, registration of a document does not guarantee title of land.

### **THE INDIAN STAMP ACT, 1899**

Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. The Indian Stamp Act, 1899 (the —Stamp Act) provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the state. Instruments chargeable to duty under the Stamp Act but which have not been duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments by certain specified authorities and bodies and imposition of penalties, for instruments which are not sufficiently stamped or not stamped at all. Instruments which have not been properly stamped instruments can be validated by paying a penalty of up to 10 times of the total duty payable on such instruments.

## **STATE LAW**

### **RAJASTHAN SHOPS & ESTABLISHMENT ACT, 1958**

Enacted in 1958, the Rajasthan Shops and Commercial Establishments Act stands as a cornerstone in regulating the working conditions and rights of employees across diverse businesses in the state. This comprehensive legislation not only mandates the registration of establishments but also intricately addresses aspects such as working hours, weekly offs, and facilities for employee welfare. It serves as a robust framework, emphasizing the significance of inclusive workplaces, prohibiting child labor, and promoting gender-sensitive policies to ensure a fair and secure environment for all.

The Act prioritizes the well-being of the workforce by delineating clear guidelines on working conditions. It mandates the provision of essential facilities like restrooms, drinking water, and first aid. Additionally, the legislation addresses gender-specific concerns, imposing restrictions on night shifts for women and advocating for safe and equitable employment practices. By encompassing provisions for leave entitlements and restrictions on adolescent labor, the Act resonates with contemporary standards, aligning the state's labor practices with the evolving needs of the workforce. Regular updates to the legislation may occur, making it imperative for businesses to stay informed to ensure ongoing compliance with the Act's provisions.

### **DELHI SHOPS & ESTABLISHMENT ACT, 1954**

The Delhi Shops and Establishment Act, 1954, stands as a cornerstone in the regulatory framework governing commercial establishments and shops within the National Capital Territory of Delhi. Enacted to standardize and regulate the working conditions in these establishments, the Act encompasses a diverse range of businesses, including shops, eateries, and service providers. Its overarching objective is to strike a balance between the interests of employers and employees, fostering a conducive work environment while safeguarding the rights and welfare of workers.

Under the provisions of the Act, establishments are mandated to register within 30 days of commencement of operations, and adherence to this requirement is crucial for legal compliance. The Act addresses critical aspects of employment, setting guidelines for working hours, weekly offs, annual leave, and holidays. This

ensures that employees receive fair treatment and are afforded reasonable working conditions. The Act also stipulates the maintenance of comprehensive records related to employees, wages, and working hours, contributing to transparency and accountability in the employer- employee relationship.

## **ENVIRONMENTAL REGULATIONS**

### **THE ENVIRONMENT PROTECTION ACT, 1986 (“ENVIRONMENT PROTECTION ACT”)**

The purpose of the Environment Protection Act is to act as an "umbrella" legislation designed to provide a frame work for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

### **AIR (PREVENTION AND CONTROL OF POLLUTION) ACT, 1981**

Air (Prevention and Control of Pollution) Act 1981(—the Act) was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Act,if a person intends to commence an industrial plant in a pollution control area.

### **WATER (PREVENTION AND CONTROL OF POLLUTION) ACT, 1974**

The Water (Prevention and Control of Pollution) Act 1974 (—the Act) was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Act.

### **NATIONAL ENVIRONMENTAL POLICY, 2006**

The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of National Environmental Policy:

- Conservation of Critical Environmental Resources

- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

## **IN GENERAL**

### **COMPANIES ACT, 2013**

The Companies Act, 2013 deals with incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The provisions of this act shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e. One Person Company. The provisions relating to formation and allied procedures are mentioned in the act.

### **FOREIGN EXCHANGE MANAGEMENT ACT, 1999**

The Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (–FEMA Regulations) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services.

### **THE COMPETITION ACT, 2002**

The Competition Act, 2002 (the –Competition Act) prohibits anticompetitive agreements, abuse of dominant positions by enterprises and regulates —combinations in India. The Competition Act also established the Competition Commission of India (the –CCI) as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds.

There are also different thresholds for those categorized as Individuals and Group. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is Likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or

amalgamation.

### **CONSUMER PROTECTION ACT, 1986 (COPRA)**

The Consumer Protection Act, 1986 (COPRA) aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services, price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provides for a three-tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of these authorities attracts criminal penalties.

### **THE INDIAN CONTRACT ACT, 1872 (“CONTRACT ACT”)**

The Contract Act 1872 codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

### **TAXES ON PROFESSIONS, TRADES, CALLINGS AND EMPLOYMENTS**

Every person engaged in any profession, trade, callings, and employment is liable to pay tax at the rate prescribed by the respective state government. It is considered necessary to levy tax on profession, trade callings and employment to augment state revenues. Every state is empowered by the Constitution of India to make laws relating to levy of taxes on professions, trades, callings, and employments that shall serve as the governing provisions in that state.

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## HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Our Company was originally incorporated as a private limited company namely “Ambey Laboratories Private Limited” under the Companies Act, 1956 vide certificate of incorporation dated 20/03/1985 issued by Registrar of Companies, NCT of Delhi bearing registration no. 020490. Further, Our Company was converted into a Public Limited Company in pursuance of a special resolution passed by the members of our Company at the Extra Ordinary General Meeting held on November 15th 2014. A fresh Certificate of Incorporation consequent to conversion was issued on December 30th 2014 by the Registrar of Companies, NCT of Delhi and consequently the name of our Company was changed from “Ambey Laboratories Private Limited” to “Ambey Laboratories Limited”. The Company’s Corporate Identification Number is U74899DL1985PLC020490.

## ADDRESS OF REGISTERED OFFICE, BRANCH OFFICE AND FACTORY OFFICE

1.	Registered Office	Ground Floor, Property No.555 Tarla Mohalla, Ghitorni New Delhi South West Delhi DL 110030 In
2.	Corporate Office-Gurugram	B18/9, DLF Phase -1 Sector 26A, Gurugram-122002 Gurugram HR 122002
3.	Factory Office	Sp-1/5, Sotanala Industrial Area Behror, Alwar, Rajasthan- 301701

## CHANGE OF REGISTERED OFFICE

There is no change in the registered office of our Company except as mention below:

DATE OF CHANGE	FROM	TO	REASON
June 15 <sup>th</sup> , 2019	G-2,Vikas Apartments, 34/1 East Punjabi Bagh, New Delhi, Delhi - 110026	M-56B, Shop No.-5, L/G/F, Malviya Nagar, New Delhi, South Delhi - 110017	Repair and maintenance
October 3 <sup>rd</sup> , 2019	M-56B, Shop No.-5, L/G/F, Malviya Nagar, New Delhi, South Delhi -110017	G-2, Vikas Apartments, 34/1 East Punjabi Bagh, New Delhi, Delhi -110026	Repair and maintenance
February 9 <sup>th</sup> , 2022	G-2, Vikas Apartment, 34/1 East Punjabi Bagh, New Delhi-110026	Ground Floor, Property No.555 Tarla Mohalla, Ghitorni, South West Delhi, New Delhi, Delhi, India, 110030	Sale of Property

## MAJOR EVENTS AND MILESTONES IN THE HISTORY OF THE COMPANY

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

Year	Key Events
1985	Our Company was incorporated as a Private Limited Company under the name “Ambey Laboratories Private Limited”.
2014	Our Company was converted into Public Limited Company under the name “Ambey Laboratories Limited”.

### MAIN OBJECT OF OUR COMPANY

1. To carry on the business of chemists, druggists, importers and exporters and manufacturers of all types of Medicines, Allopathic, Ayurvedic, Unani, Homeopathic and Biochemic.
2. To carry on the business of manufacturing, chemicals, compounds, herbal products, insecticides, pesticides, fungicides and biological products and pharmaceutical products and repacking of pharmaceutical and all above items.
3. To carry on the business of vialling, bottling & repacking, manufacturing, processing of capsules, syrups, tablets, ointments and other medical and chemical preparations.

### AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

Since incorporation, the following changes have been made to the Memorandum of Association of the Company:

Details of Shareholders' Approval	Type of General Meeting	Amendments
04.12.1990	EGM	Increased Authorised Share Capital from 5,00,000 to 7,50,000
20.11.1995	EGM	Increased Authorised Share Capital from 7,50,000 to 15,00,000
05.07.2004	EGM	Increased Authorised Share Capital from 15,00,000 to 1,00,00,000
18.09.2005	EGM	Increased Authorised Share Capital from 1,00,00,000 to 1,50,00,000
09.02.2008	EGM	Increased Authorised Share Capital from 1,50,00,000 to 2,50,00,000
31.12.2010	EGM	Increased Authorised Share Capital from 2,50,00,000 to 4,00,00,000
27.03.2012	EGM	Increased Authorised Share Capital from 4,00,00,000 to 5,00,00,000
29.05.2012	EGM	Increased Authorised Share Capital from 5,00,00,000 to 7,00,00,000
15.11.2014	EGM	Conversion of Company from Private Limited to Public Limited
15.11.2014	EGM	Company Changed its Object Clause
04.03.2022	EGM	Increased Authorised Share Capital from 7,00,00,000 to 20,00,00,000
27.09.2023	EGM	Authorised Share Capital of the company was sub divided into a smaller diminution to Rs. 20,00,00,000 comprising of 2,00,00,000 Equity Shares of Rs. 10 each.

### DETAILS OF BUSINESS OF OUR COMPANY

For details on the description of our company's activity, business model, marketing strategy, strength, completion of business, please see 'Our Business', 'Management Discussion and Analysis of Financial Conditions' and 'Basis for Issue Price' on page 130, 255 and 101 respectively.

## **CAPITAL RAISING (DEBT/EQUITY)**

For details in relation to our capital raising activity through equity, please refer to the chapter titled “Capital Structure” beginning on page 67 of the Draft Red Herring Prospectus.

For a description of our company’s Debt facility, see, “Statement of Financial Indebtedness” on page 252 of the Draft Red Herring Prospectus.

## **DEFAULT OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTION /BANKS**

There have been no defaults or rescheduling of borrowings with any financial institutions / Banks as on the date of the Draft Red Herring Prospectus. Furthermore, none of the Company’s loan from any of the financial institutions / Banks have been converted into equity in the past.

## **TIME AND COST OVERRUNS IN SETTING UP OF PROJECT**

There’s been no time / cost overrun in setting up of Project by our Company

## **REVALUATION OF ASSETS**

Our Company has revalued its assets since incorporation to know the updated value of property.

## **LOCK-OUT OR STRIKES**

There have been no lock-outs or strikes in our company since incorporation.

## **CHANGE IN ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE (5) YEARS**

There has been no change in business activities of our company during last five (5) years from the date of this Draft Red Herring Prospectus which may have had a material effect on the profit/loss account of our Company except as mentioned in Material development in Chapter titled “Management Discussion and Analysis of Financial Conditions & Result of Operations” beginning on page 255 of the Draft Red Herring Prospectus.

## **HOLDING COMPANY OF OUR COMPANY**

Our Company does not have any Holding Companies as on the date of filing of this Draft Red Herring Prospectus.

## **SUBSIDIARY COMPANY OF OUR COMPANY**

Our Company does not have any Subsidiary Companies as on the date of filing of this Draft Red Herring Prospectus.

## **INJUNCTIONS OR RESTRAINING ORDERS**

Our Company is not operating under any injunctions or restraining orders.

## **DETAILS REGARDING ACQUISITION OF BUSINESS / UNDERTAKING, MERGERS, AMALGAMATION, REVALUTAION OF ASSETS ETC**

There are no Merger, Amalgamation etc. with respect to our Company and we have not acquired any



business undertaking in last five years.

#### **NUMBER OF SHAREHOLDER OF OUR COMPANY**

Our Company has 29 (twenty-nine) shareholders as on date of the Draft Red Herring Prospectus. For further details on the Shareholding Pattern of our Company, please refer to the Chapter titled “Capital Structure” beginning on page 67 of the Draft Red Herring Prospectus.

#### **DETAILS OF PAST PERFORMANCE**

For details of Change of management, please see chapter titled “Our Management” On page 172 of the Draft Red Herring Prospectus.

#### **DETAILS OF FINANCIAL PERFORMANCE**

For details in relation to our financial performance in the previous three financial years, including details of non- recurring items of income, refer to section titled “Financial Statements” beginning on page 197 of this Draft Red Herring Prospectus.

#### **SHAREHOLDER AGREEMENT**

Our company has not entered into any shareholders agreement as on the date of filing of this Draft Red Herring Prospectus.

#### **COLLABORATION AGREEMENT**

As on the date of the Draft Red Herring Prospectus, Our Company is not party to any collaboration agreement.

#### **RESTRICTIVE COVENANTS IN LOAN AGREEMENTS**

Our Company has taken Credit facilities from any of the Banks / Financial Institutions but no restrictive covenants applicable on company. There are no loan agreements executed by our Company as on the date of filing this Draft Red Herring.

#### **STRATEGIC / FINANCIAL PARTNERS**

Our Company does not have any Strategic / Financial Partner as on the date of this Draft Red Herring Prospectus.

#### **OTHER AGREEMENTS**

➤ **Non-Compete Agreement**

Our Company has not entered into any compete Agreement on the date of this Draft Red Herring Prospectus.

➤ **Joint Venture Agreement**

Our Company has not entered into any Joint Venture Agreement\_on the date of this Draft Red Herring Prospectus.

Our Company has not entered into any specific or special agreements except that have been entered into in ordinary course of business.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

In terms of the Articles of Association, our Company is required to have not less than 03 Directors and more than 15 Directors. Currently, our Company has 05 (Five) Directors on its Board, including 2 (Two) Independent Directors and 2 (Two) Women Director.

The following table sets forth the details regarding the Board of Directors as on the date of filing of this Draft Prospectus.

Name, DIN, Designation, Date of Birth, Age, Qualification, Experience, Address, Occupation, Date of expiration of current term, Period of Directorship	Details of Directorships in Other Companies /partnerships in LLP
<b>Name:</b> Abdul Quadir	<u><b>Public Limited Companies:</b></u> <i>Nil</i>  <u><b>Private Limited Companies:</b></u> <i>Nil</i>  <u><b>Limited Liability Partnerships:</b></u> <i>Nil</i>
<b>DIN:</b> 09781856	
<b>Designation:</b> Independent Director	
<b>Date of Birth:</b> 15/08/1990	
<b>Age:</b> 33 Years	
<b>Qualification:</b> Company Secretary	
<b>Experience:</b> 6 years' experience in the field of corporate compliance matter.	
<b>Address:</b> 13, Parasa Khurd, Tarkulwa Tiwari, Maharajganj, Uttar Pradesh-273302	
<b>Occupation:</b> Professional	
<b>Term:</b> For a period of five years i.e. up to 42 <sup>nd</sup> AGM (Annual General Meeting)	
<b>Date of Appointment:</b> Appointed as Independent Director on November 07, 2022	

Name, DIN, Designation, Date of Birth, Age, Qualification, Experience, Address, Occupation, Date of expiration of current term, Period of Directorship	Details of directorships in other Companies/ partnerships in LLP
<b>Name:</b> Rishita Gupta	<u><b>Public Limited Companies:</b></u> <i>Nil</i>  <u><b>Private Limited Companies:</b></u> <i>Aromatic Rasayan Private Limited</i> <i>Trishul PVC Polymers (India) Private Limited</i>  <u><b>Limited Liability Partnerships:</b></u> <i>Nil</i>
<b>DIN:</b> 07932723	
<b>Designation:</b> Non-Executive Director	
<b>Date of Birth:</b> 12/09/1987	
<b>Age:</b> 36 Years	
<b>Qualification:</b> Bachelor of Science Management from The University of Warwick, U. K	
<b>Experience:</b> 11 years' experience in handling the administration of the company.	
<b>Address:</b> Flat No 611A, Aralias, Golf Course Road, Sector-42, Dlf Golf Links, Sikanderpur Ghosi (68), Gurgaon, Haryana-122002	
<b>Occupation:</b> Business	
<b>Term:</b> Liable to retire by rotation	
<b>Date of Appointment:</b> Appointed as Director on January 09, 2023	

Name, DIN, Designation, Date of Birth, Age, Qualification, Experience, Address, Occupation, Date of expiration of current term, Period of Directorship	Details of directorships in other Companies/ partnerships in LLP
<b>Name:</b> Sandeep Bansal	<p><b><u>Public Limited Companies:</u></b> Nil</p> <p><b><u>Private Limited Companies:</u></b> Aromatic Rasayan Private Limited SG Reftech Private Limited Fission Pharmaceuticals Private Limited Trishul PVC Polymers (India) Private Limited</p> <p><b><u>Limited Liability Partnerships:</u></b> Nil</p>
<b>DIN:</b> 05305244	
<b>Designation:</b> Non- Executive Director	
<b>Date of Birth:</b> 03/03/1981	
<b>Age:</b> 42	
<b>Qualification:</b> Bachelor of Commerce from University of Delhi	
<b>Experience:</b> 15 years of experience in the chemical manufacturing and trading industry.	
<b>Address:</b> Flat No: Gbe- 022, New Town Heights-91, DLF Garden City, Sector-91, Gurugram -Dhorka (120) Haryana -122505, India	
<b>Occupation:</b> Business	
<b>Term:</b> Liable to retire by rotation	
<b>Date of Appointment:</b> Appointed as Director on September 09, 2023	

Name, DIN, Designation, Date of Birth, Age, Qualification, Experience, Address, Occupation, Date of expiration of current term, Period of Directorship	Details of directorships in other Companies/ partnerships in LLP
<b>Name:</b> Sarina Gupta	<p><b><u>Public Limited Companies:</u></b> Nil</p> <p><b><u>Private Limited Companies:</u></b> Trishul PVC Polymers (India) Private Limited</p> <p><b><u>Limited Liability Partnerships:</u></b> Pickle Masters LLP</p>
<b>DIN:</b> 08787098	
<b>Designation:</b> Whole-time Director	
<b>Date of Birth:</b> 19/07/1981	
<b>Age:</b> 42	
<b>Qualification:</b> Bachelors of Arts (Hons.) in Psychology from Lady Shri Ram College, Delhi University	
<b>Experience:</b> 15 years' experience as Human Resource Manager	
<b>Address:</b> Flat No-611 A, Aralias, DLF Golf Links, Golf Course Road, Sector-42, Gurugram, Chakarpur (74) Gurgaon -Haryana-122002	
<b>Occupation:</b> Business	
<b>Term:</b> For a period of 5 years with effect from November 06, 2023 till November 05, 2028.	
<b>Date of Appointment:</b> Appointed as Whole time Director on November 06, 2023	

Name, DIN, Designation, Date of Birth, Age, Qualification, Experience, Address, Occupation, Date of expiration of current term, Period of Directorship	Details of directorships in other Companies/ partnerships in LLP
<b>Name:</b> Roni Soni	<p><b><u>Public Limited Companies:</u></b> Kanodia Technoplast Limited</p>
<b>DIN:</b> 07504677	

<b>Designation:</b> Independent Director	<p><b><u>Private Limited Companies:</u></b> Nil</p> <p><b><u>Limited Liability Partnerships:</u></b> Legalspire Ally LLP Locus Compliance Solutions LLP</p>
<b>Date of Birth:</b> 30/10/1987	
<b>Age:</b> 36	
<b>Qualification:</b> CS, LLB, B.COM	
<b>Experience:</b> Over 9 years of experience with renowned listed entities like Spice Group and Ansal Group	
<b>Address:</b> RZ 7A/29 Puran Nagar, Gali Number 03, Palam Colony, South West Delhi - 110045	
<b>Occupation:</b> Business	
<b>Term:</b> For a period of five years i.e. up to 42 <sup>th</sup> AGM (Annual General Meeting)	

## BRIEF PROFILE OF OUR DIRECTORS

### **Mrs. Sarina Gupta, Whole-time Director**

Mrs. Sarina Gupta is a member of promoters group, has been handling the human resource management of the company since 2018. In 2023 she has been appointed as Whole-time Director of the Company by the Board members and having major shareholding in her name.

### **Mr. Abdul Quadir, Independent Director**

Mr. Abdul Quadir, aged 33 years is the independent director of the company. He is a Company Secretary with 06 years of experience in Company Secretarial including corporate affairs and governance. He is a Registered Independent Director (Registration No. IDDB-NR-202208-005108). He is a competent to handle the Property Laws Compliance, Listing Agreement Compliance and SEBI Regulation Compliance and He is the member of Audit Committee and NRC of the Company.

### **Mrs. Rishita Gupta, Non-Executive Director**

Mrs. Rishita Gupta is a member of promoters group, has been handling the Administration of our Company since 2019. In 2023 she has been appointed as Non- Executive Director of the company by the Board members and she is the member of the Audit Committee and NRC of the Company.

### **Mr. Sandeep Bansal, Non-Executive Director**

Mr. Sandeep Bansal has been appointed to the Board of the company in 2023, having about 15 years of experience in the chemical manufacturing, trading industry. He is actively handling Business Development and Marketing of the Company. He is also a member of the consultative committee of Food Corporation of India, Haryana.

### **Mr. Roni Soni, Independent Director**

Roni Soni is an accomplished professional having immense knowledge and over 9 years of experience with renowned listed entities like Spice Group and Ansal Group. he started her own Practicing Firm in the year 2017 where he is working in field of corporate governance, secretarial areas, Intellectual Property Laws. he is a Senior Consultant of the Firm and working with diverse groups has helped himr gain experience in areas of general corporate matters, due diligence, foreign direct investments, overseas direct investment, setting up of an entity in India and abroad, secretarial audits etc.

## CONFIRMATION

As on the date of this Draft Red Herring Prospectus:

- a) None of the Directors are on the RBI List of wilful defaulters.

- b) None of our Directors are categorized as a wilful defaulter or a fraudulent borrower, as defined under Regulation 2(1) (III) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- c) None of our Directors is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018. None of the above-mentioned Directors are on the RBI List of wilful defaulters as on the date of this Draft Prospectus.
- d) None of the Promoters, persons forming part of our Promoter Group, our directors or persons in control of our Company or our Company are debarred by SEBI from accessing the capital market.
- e) None of the Promoters, Directors or persons in control of our Company, have been or are involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

**DETAILS OF CURRENT AND PAST DIRECTORSHIP(S) OF THE ABOVE DIRECTORS IN LISTED COMPANIES WHOSE SHARES HAVE BEEN / WERE SUSPENDED FROM BEING TRADED ON ANY OF THE STOCK EXCHANGES, DURING HIS/HER TENURE**

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Draft Prospectus, during the term of his/her directorship in such company.

**DETAILS OF CURRENT AND PAST DIRECTORSHIP(S) OF THE ABOVE DIRECTORS IN LISTED COMPANIES WHICH HAVE BEEN/ WERE DELISTED FROM THE STOCK EXCHANGE(S), DURING HIS/HER TENURE**

None of our Directors is, or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

**NATURE OF FAMILY RELATIONSHIP BETWEEN DIRECTORS**

**Nature of any family relationship between any of the directors or any of the directors and key managerial personnel.**

Except as stated below, none of the Directors or Director and Key Managerial Personnel or Senior Management of the Company are related to each other as per Section 2(77) of the Companies Act, 2013:

<b>Sr. No</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>Relationship with another Directors</b>
a)	Sarina Gupta	Director	Wife of Promoter Archit Gupta
b)	Rishita Gupta	Director	Wife of Promoter Arpit Gupta
c)	Abdul Quadir	Independent Director	Not related to the company
d)	Roni Soni	Independent Director	Not related to the company
e)	Sandeep Bansal	Director	Not related to the company

### **DETAILS OF ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS OR OTHERS, PURSUANT TO WHICH OF THE DIRECTORS WAS SELECTED AS A DIRECTOR OR MEMBER OF SENIOR MANAGEMENT.**

None of our Directors have been appointed or selected pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

### **DETAILS OF SERVICE CONTRACTS ENTERED INTO BY THE DIRECTORS WITH THE COMPANY PROVIDING FOR BENEFITS UPON TERMINATION OF EMPLOYMENT**

There are no service contracts entered into by the directors with the Company providing for benefits upon termination of employment.

### **DETAILS OF BORROWING POWERS**

In accordance with the Articles of Association and subject to the provisions of the Companies Act, 2013 our Board is authorized, pursuant to a resolution of the shareholders of our Company passed December 16, 2023, for borrowing by way of loan or debentures (whether secured or unsecured), bonds, deposits, fund based, non-fund based working capital limits for the purpose of the business of the Company any sum or sums of money whether in Indian or foreign currency from time to time from any bank(s) or any financial institution(s) or any other institution(s), firm(s), body corporate(s), or other person(s) or from any other source in India or outside India whomsoever, in addition to the temporary loans obtained from the Company's banker(s) in the ordinary course of business, provided that the sum(s) so borrowed under this resolution and remaining outstanding at any time shall not exceed in aggregate Rs. 23,00,00,000 (Rupees Twenty-Three Crores Only).

### **REMUNERATION /COMPENSATION OF WHOLE-TIME DIRECTOR**

Ms. Sarina Gupta was designated as the Whole-Time Director of the Company for a term of five years commencing, i.e. 06.11.2023 vide Board Resolution dated 06.11.2023 and Shareholders Resolution dated 16.11.2023. The terms and conditions of her employment are as follows.

Tenure of her appointment	5 yrs., w.e.f. from 06.11.2023 to 05.11.2028
Remuneration per month	Rs. 2,00,000 (Rupees Two Lacs Only) w.e.f. November 2023
Perquisite, Allowances and Commission	As per Schedule V of the Companies Act, 2013

There is no definitive and /or service agreement that has been entered into between our Company and the managing director in relation to his appointment.

### **SITTING FEES TO NON-EXECUTIVE DIRECTORS AND INDEPENDENT DIRECTORS**

Other Non-Executive Directors and Independent Directors of the Company may be paid sitting fees, commission and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act, 2013 and other applicable laws and regulations.

Sitting fees paid to our Non-Executive Directors and Non-Executive Independent Director during the financial year 2022-23:

Name	Amount of Sitting Fees Paid during FY 2022-23 (In Rs.)
Abdul Quadir	40,000/-
Nitesh Bansal*	40,000/-
Rishita Gupta	20,000/-

*Note: - Mr. Nitesh Bansal was appointed as additional director (Non-Executive & Independent Director) w.e.f. -07.11.2023 and has resigned from the post of Independent Director of Company w.e.f. -10.07.2023.*

### BONUS OR PROFIT-SHARING PLAN FOR OUR DIRECTORS

Our Company does not have any bonus or profit-sharing plan for our directors.

### SHAREHOLDING OF THE DIRECTORS

S. No.	Name	No. of Shares Held
1.	Abdul Quadir	Nil
2.	Rishita Gupta	3,50,240
3.	Sandeep Bansal	Nil
4.	Sarina Gupta	1,73,99,180
5.	Roni Soni	Nil

None of the Independent Directors of Company hold any Equity Share of Ambey Laboratories Limited as on the date of this Draft Prospectus.

### QUALIFICATION SHARES REQUIRED TO BE HELD BY DIRECTORS

Our Articles of Association do not require our directors to hold qualification shares.

### INTEREST OF DIRECTORS

#### *Interest in promotion of our Company*

Except as stated in the Chapter titled “Our Promoter” on page 185, our directors have no interest in the promotion of our Company as of the date of this Draft Red Herring Prospectus, except in the ordinary course of business.

#### *Interest in property*

Our directors have no interest in any property acquired by our Company within the two years preceding the date of this Draft Prospectus, or proposed to be acquired by our Company.

Apart from above, all the Directors may be deemed to be interested to the extent of fees payable to them, if any, for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them, if any, under the Articles of Association, and to the extent of remuneration paid to them, if any for services rendered as an officer or employee of the Company.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as Directors, members, partners, trustees and Promoter, pursuant to this Issue. All of the Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated in “**Restated Financial Information – Annexure – IX - Restated Statement of Related Party Transaction**” on page 248 of this Draft Prospectus, the Directors do not have any other interest in the business of the Company.

The Company has not entered into any other contract, agreement or arrangement during the preceding two years from the date of the Draft Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them other than contracts in the normal course of business and being permitted as per the current rules and regulations governing the same.

### CHANGES IN THE BOARD OF DIRECTORS IN THE LAST 3 YEARS

S. No	Name, Address & DIN	Date of Appointment	Date of Cessation	Reason
1.	Abdul Quadir	07/11/2022	-	NA
2.	Rishita Gupta	09/01/2023	-	NA
3.	Sandeep Bansal	09/09/2023	-	NA
4.	Sarina Gupta	09/09/2023	-	NA
5.	Roni Soni	20/07/2023	-	NA
6.	Anil Gupta	20/03/1985	09/01/2023	Personal and Unavoidable Circumstances,
7.	Archit Gupta	09/07/2004	07/09/2023	Personal and Unavoidable Circumstances,
8.	Arpit Gupta	10/07/2012	07/09/2023	Personal and Unavoidable Circumstances,
9.	Nitesh Radheshyam Bansal	07/11/2022	10/07/2023	Personal and Unavoidable Circumstances,

### CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013 with respect to corporate governance, provisions of the SEBI LODR Regulations will also be applicable to our Company immediately upon the listing of the Equity Shares on NSE SME Platform.

Currently, our Board has Five Directors. We have four Non-Executive Directors, out of which two are Independent Directors and two are Woman Director. Further, at least two-thirds of our directors, other than



our Independent Directors are liable to retire by rotation. Our Company is in compliance with corporate governance norms prescribed under the SEBI LODR Regulations and the Companies Act, 2013, particularly, in relation to appointment of independent directors to our Board and constitution of committees of the board.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements under the SEBI LODR Regulations and the Companies Act, 2013.

## COMMITTEES OF THE BOARD

In terms of SEBI LODR Regulations and the provisions of the Companies Act, 2013, our Company has following committees of the Board:

### A) AUDIT COMMITTEE

Our Company has constituted an audit committee (“Audit Committee”), as per the provisions of Section 177 of the Companies Act, 2013 vide resolution passed in the meeting of the Board of Directors held on July 20, 2023.

#### Composition of the Audit Committee

The committee presently comprises the following three directors:

Sr. No.	Name of Director	Designation in Committee	Nature of Directorship
1.	Mr. Roni Soni	Chairman	Non-Executive - Independent Director
2.	Mr. Abdul Quadir	Member	Non-Executive - Independent Director
3.	Ms. Rishita Gupta	Member	Non- Executive Non-Independent Director

Ms. Rimple Sarin, the Company Secretary of our Company acts as the Secretary of the Audit Committee.

#### Terms of Reference of Audit Committee:

- (1) Oversight of the listed entity’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (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;

- (g) modified opinion(s) in the draft audit report;
- (5) Reviewing, with the management, the half yearly financial statements before submission to the board for approval;
- (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the listed entity with related parties;

***Explanation:*** The term "related party transactions" shall have the same meaning as provided in Clause 2 (zc) of the SEBI LODR Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

- (9) Scrutiny of inter-corporate loans and investments;
- (10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) 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;
- (14) Discussion with internal auditors of any significant findings and follow up there on;
- (15) 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;
- (16) 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;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the whistle blower mechanism;
- (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate; and
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- (21) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- (22) To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

**The audit committee shall mandatorily review the following information:**

- (1) Management discussion and analysis of financial condition and results of operations;
- (2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) Internal audit reports relating to internal control weaknesses; and

- (5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) Statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

## **B) NOMINATION AND REMUNERATION COMMITTEE**

In compliance with section 178(1) of the Companies Act, our Company has constituted a Nomination and Remuneration Committee vide resolution passed by the Board of directors of our Company at its Meeting held on 20<sup>th</sup> July 2023

### **Composition of Nomination and Remuneration Committee**

The committee presently comprises the following three directors:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Designation in Committee</b>	<b>Nature of Directorship</b>
1.	Mr. Abdul Quadir	Chairman	Non-Executive - Independent Director
2.	Ms. Rishita Gupta	Member	Non- Executive Non-Independent Director
3.	Mr. Roni Soni	Member	Non-Executive Independent Director

Ms. Rimple Sarin, the Company Secretary of our Company acts as the Secretary of the Nomination and Remuneration Committee.

### **Terms of Reference of Nomination and Remuneration Committee**

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of Directors a policy relating to, the remuneration of the Directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of independent Directors and the board of Directors;
3. Devising a policy on diversity of board of Directors;
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 of Directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent Director, on the basis of the report of performance evaluation of independent Directors.
6. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

## **C) STAKEHOLDERS RELATIONSHIP COMMITTEE**

In compliance with Section 178 of the Companies Act, our Company has constituted a stakeholders relationship committee ("Stakeholders Relationship Committee") vide resolution passed at the meeting of the Board held on 21<sup>st</sup> December ,2023.

### Composition of Stakeholders Relationship Committee

The committee presently comprises the following three directors:

Sr. No.	Name of Director	Designation in Committee	Nature of Directorship
1.	Ms. Rishita Gupta	Non-Executive Director	Chairman
2.	Mr. Roni Soni	Independent Director	Member
3.	Mr. Abdul Quadir	Independent Director	Member

Ms. Rimple Sarin, the Company Secretary of our Company acts as the Secretary of the Stakeholders Relationship Committee.

### Terms of Reference of Stakeholders Relationship Committee

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

### KEY MANAGEMENT PERSONNEL

Our Company is managed by its Board of Directors, assisted by qualified professionals, in the respective field of production/finance/ distribution/marketing and corporate laws.

The following key personnel, in addition to Whole-Time Director, assist the management of our Company:

S. No.	Name, Designation, Qualification	Date of Joining	Age (Yrs)	Term of office with date of expiration of term	Details of service contracts including termination/retirement benefits	Experience (yrs)	Previous Employment
1.	<b>Name:</b> Sarvar Alam <b>Designation:</b> CFO <b>Qualification:</b> Master in Commerce	03/10/2022	30 years	As per Company rules	N/A	More than 5 Years	Sastry K. Anandam and Co. LLP from April 2020 to August 2022

2.	<b>Name:</b> Rimple Sarin <b>Designation:</b> CS and Compliance Officer <b>Qualification:</b> Company Secretary	03/10/2022	34 Years	As per Company rules	N/A	More than 5 Years	Company: Fin Advantage Consultants Private Limited Location: Gurugram Period: April 2021 to August 2022
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### BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

#### Sarvar Alam, CFO

Sarvar Alam is holding the degree of Masters in Commerce and have been associated with the company since October, 2022. He is having more than 7 years of experience in the field of accounting and preparing financial statements, handling GST, TDS and Income Tax related matters of the companies.

He has previous employment with Sastry K. Anandam and Co. LLP from April 2020 to August 2022 and Florican Water Technologies Pvt. Ltd. from July 2018 to March 2020. He has also undergone specialized Accounts and finance training with KK Baranwal & Associates from May-2017 to Feb 2018,

#### Ms. Rimple Sarin, Company Secretary and Compliance Officer

Ms. Rimple Sarin is holding the degree of Company Secretary from the Institute of Company Secretaries of India and have been associated with the company since October, 2022. She is having more than 5 years of experience in the field of secretarial, compliance and fund-raising related activities.

She has previous employment with FinAdvantage Consultants Private Limited from April 2021 to August 2022 as Company Secretary. She has also undergone specialized training with Registrar of Companies, NCT Delhi & Haryana from February 2021 to March 2021.

### DETAILS OF ANY ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS OR OTHERS, PURSUANT TO WHICH ANY OF THE KEY MANAGERIAL PERSONNEL, WAS SELECTED AS KEY MANAGERIAL PERSONNEL

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any major shareholders, customers, suppliers to our Company or others.

### CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO OUR KEY MANAGEMENT PERSONNEL

There is no contingent or deferred compensation payable to our Key Management Personnel which does not form part of their remuneration.

### BONUS OR PROFIT-SHARING PLAN OF THE KEY MANAGEMENT PERSONNEL

The Company does not have any bonus or profit-sharing plan of the Key Management Personnel.

## SHAREHOLDING OF KEY MANAGERIAL PERSONNEL

None of the Key Managerial Personnel have any shareholding in the Company except as mentioned in the shareholding of the Directors as mentioned in the Chapter “**Our Management**” on page 172 of this Draft Prospectus.

## NATURE OF ANY FAMILY RELATIONSHIP BETWEEN ANY OF THE KEY MANAGERIAL PERSONNEL:

None of the Key Managerial Personnel are related to each other.

## INTERESTS OF KEY MANAGEMENT PERSONNEL

The key management personnel of the Company, do not have any interest in the Company other than to the extent of the remuneration, employee stock options held, if any, Equity Shares allotted under employee stock purchase scheme or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

None of the key management personnel have been paid any consideration of any nature from the Company, other than their remuneration.

## CHANGES IN THE KEY MANAGEMENT PERSONNEL

The changes in the key management personnel in the last three years are as follows:

Sl. No.	Name	Date of		Reason
		Joining	Leaving	
1.	Sarvar Alam	03/10/2022	NA	NA
2.	Rimple Sarin	03/10/2022	NA	NA

## EMPLOYEE STOCK OPTION SCHEME AND EMPLOYEE STOCK PURCHASE SCHEME

The Company does not have any Employee Stock Option Scheme and Employee Stock Purchase Scheme.

## PAYMENT OR BENEFIT TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT OF THE ISSUER

Except the payment of salaries and perquisites, no amount or benefit has been paid or given within the two preceding years or intended to be paid or given to any officer and there is no consideration for payment of giving of the benefit.

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## OUR PROMOTERS

The Promoters of our Company are:



S. No.	Name	Category	Shareholding
1.	Archit Gupta	Individual Promoter	Nil
2.	Arpit Gupta	Individual Promoter	Nil
3.	Sarina Gupta	Individual Promoter	93.10%
4.	Rishita Gupta	Individual Promoter	1.87%

For details of the build-up of our promoters' shareholding in our Company, see section titled "Capital Structure" beginning on page 67 of this Prospectus.

**Brief profile of our Individual Promoters is as under:**

	<p>Mr. Archit Gupta is a part of promoter's family, has been associated with the company since 9<sup>th</sup> July 2004 and actively handling the administration as CEO of the company. He has experience of almost 20 years in agrochemicals and FMCG. He has been instrumental in building the agrochemicals from a Greenfield project.</p>
<b>Name</b>	Archit Gupta
<b>Age</b>	42
<b>Qualification</b>	Post -Graduation in Management Sciences from University of Southampton, UK
<b>Personal Address</b>	Appartment-1006A, The Magnolias, DLF Phase-V, Gurgaon, Gurgaon, Haryana-122009
<b>Directorship &amp; Other Ventures</b>	Nil
<b>PAN</b>	AFJPG7462G
	<p>Mr. Arpit Gupta is a part of promoter's family, has been associated with the company since 29<sup>th</sup> September 2012 as Chief of Sales. He has experience of almost 15 years in agro-chemicals and FMCG. He has been instrumental in managing complete sales and purchase of the agrochemicals since association.</p>
<b>Name</b>	Arpit Gupta
<b>Age</b>	37
<b>Qualification</b>	Graduation in Business and Management Studies from University of Bradford, UK.
<b>Personal Address</b>	Flat No 611A, Aralias, Golf Course Road, DLF Golf Links, Sector 42, Sikanderpur Ghosi (68), Gurgaon, Haryana-122002

<b>Directorship &amp; Other Ventures</b>	Nil
<b>PAN</b>	AJHPG2920R

	Ms. Sarina Gupta is a member of promoters group, has been handling the human resource management of the company since 2018. In 2023, she has been appointed as Executive Director of the company by the Board members and has major shareholding in her name.
<b>Name</b>	Sarina Gupta
<b>Age</b>	42
<b>Qualification</b>	Bachelors of Arts (Hons.) in Psychology from Lady Shri Ram College, University of Delhi
<b>Personal Address</b>	Flat No-611 A, Aralias, DLF Golf Links, Golf Course Road, Sector-42, Gurugram, Chakarpur (74) Gurgaon -Haryana-122002
<b>Directorship &amp; Other Ventures</b>	1. Trishul PVC Polymers (India) Private Limited
<b>PAN</b>	AUIPG9077H
	Ms. Rishita Gupta is a member of promoters group, has been handling the Administration of our Company since 2019. In 2023 she has been appointed as Non- Executive Director of the company by the Board members and she is the member of the Audit and NR Committee of the Company.
<b>Name</b>	Rishita Gupta
<b>Age</b>	36 Years
<b>Qualification</b>	Bachelor of Science Management from The University of Warwick
<b>Personal Address</b>	Flat No 611A, Aralias, Golf Course Road, Sector-42, DLF Golf Links, Sikanderpur Ghosi (68), Gurgaon, Haryana-122002
<b>Directorship &amp; Other Ventures</b>	1. Aromatic Rasayan Private Limited 2. Trishul PVC Polymers (India) Private Limited
<b>PAN</b>	AACPP1914C

*For details pertaining to other ventures of our Promoters, refer chapter titled “Our Group Entities” beginning on page no. 192 of this Prospectus.*



## RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS

Our Promoters are the part of our board of directors as Managing Directors and/or Directors. Except as disclosed herein, none of our Promoter(s) are related to any of our Company's Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

Promoters	Director	Relationship
Archit Gupta	Sarina Gupta	Spouse
Arpit Gupta	Rishita Gupta	Spouse

## OTHER UNDERTAKINGS AND CONFIRMATIONS

- Our Company undertakes that the details of Permanent Account Number, Bank Account Number, Aadhar and Passport Number of the Promoters will be submitted to the Emerge Platform of NSE, where the securities of our Company are proposed to be listed at the time of submission of Prospectus.
- Our Promoters have confirmed that they have not been identified as willful defaulters.
- No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. None of our Promoters are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

## INTEREST OF PROMOTERS

### *Interest in promotion of Our Company*

Our Promoters are interested in the promotion of our Company in their capacity as a shareholder of our Company and having significant control over the management and influencing policy decisions of our Company.

### *Interest in the property of Our Company*

Our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of this Prospectus.

### *Interest as member of Our Company*

Two of our promoters hold 1,77,49,420 Equity Shares aggregating to 94.97% of pre-issue Equity Share Capital in our Company and are therefore interested to the extent of their respective shareholding and the dividend declared, if any, by our Company. Except to the extent of their respective shareholding in our Company our Promoters hold no other interest in our Company.

### *Interest as Director of our Company*

Except as stated in the "Statement of Related Party Transactions" beginning on page number 195 of the Prospectus, our Promoters / Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration

and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of our AOA.

### **Other Ventures of our Promoters**

Save and except as disclosed in the chapters titled “*Our Group Entities*” beginning on page 192 of the Prospectus, there are no other ventures of our Promoters in which they have business interests/other interests.

### **Change in the control of Our Company**

Our Promoters are the original promoters of our Company and there has been no change in the management or control of our Company.

### **Litigation involving our Promoters**

For details of legal and regulatory proceedings involving our Promoters, please refer chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 266 of this Prospectus.

### **Payment of benefits to our Promoters and Promoter Group during the last two years**

Save and except as disclosed under “*Statement of Related Party Transactions*”, as Restated appearing as Annexure IX on page no. 195 of the section titled “*Financial Information*” beginning on page no. 197 of the Prospectus, there has been no Payment or benefit to promoters during the two (2) years preceding the date of filing of this Prospectus, nor is there any intention to pay or give any benefit to our Promoters as on the date of this Prospectus.

### **OTHER CONFIRMATIONS**

As on the date of this Prospectus, our Promoters and members of our Promoter Group have not been prohibited by SEBI or any other regulatory or governmental authority from accessing capital markets for any reasons. Further, our Promoters were not and are not promoters or persons in control of any other company that is or has been debarred from accessing the capital markets under any order or direction made by SEBI or any other authority. There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority against our Promoters during the last five (5) years preceding the date of this Prospectus, except as disclosed under chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 266 of this Prospectus.

Our Promoters and members of our Promoter Group have neither been declared as a wilful defaulters nor as a fugitive economic offender as defined under the SEBI (ICDR) Regulations, and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against our Promoters.

### **GUARANTEES**

Except as stated in the section titled “*Financial Statements*” beginning on page 197 of this Draft Red Herring Prospectus, there are no material guarantees given by the Promoters to third parties with respect to specified securities of the Company as on the date of this Draft Prospectus.

## **RELATED PARTY TRANSACTIONS**

For details of related party transactions entered into by our Company, please refer to “*Statement of Related Party Transactions*”, as Restated appearing as Annexure IX on page number 248 of the section titled “*Financial Information*” beginning on page number 197 of the Prospectus.

## **INFORMATION OF OUR GROUP COMPANIES**

For details related to our group companies please refer “Our Group Entities’ on page no. 192 of this Prospectus.

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## OUR PROMOTER GROUP

Our Promoters and Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations is as under:

### A. Natural Persons who form part of our Promoter Group:

The following natural persons being the immediate relatives of our Promoters in terms of the SEBI (ICDR) Regulations 2018 form part of our Promoter Group:

Promoters	Mr. Archit Gupta
Father	Anil Gupta
Mother	Achla Gupta
Spouse	Sarina Gupta
Brother	Arpit Gupta
Sister	Not Applicable
Son	Not Applicable
Daughters	Anya Gupta, Airah Gupta
Spouse Father	Chabbi Lal Bhusal
Spouse Mother	Kalpana Bhusal
Spouse Brothers	Not Applicable
Spouse Sisters	Not Applicable

Promoters	Mr. Arpit Gupta
Father	Anil Gupta
Mother	Achla Gupta
Spouse	Rishita Gupta
Brother	Archit Gupta
Sister	Not Applicable
Son	Averaj Gupta
Daughter	Not Applicable
Spouse Father	Late Vinod Mahabir Prasad Poddar
Spouse Mother	Sunita Vinod Poddar
Spouse Brothers	Rahul Vinod Poddar
Spouse Sisters	Not Applicable

Promoters	Ms. Sarina Gupta
Father	Chabbi Lal Bhusal
Mother	Kalpana Bhusal
Spouse	Archit Gupta
Brother	Not Applicable
Sister	Not Applicable
Son	Not Applicable
Daughters	Anya Gupta, Airah Gupta
Spouse Father	Anil Gupta
Spouse Mother	Achla Gupta
Spouse Brothers	Arpit Gupta
Spouse Sisters	Not Applicable

Promoters	Ms. Rishita Gupta
Father	Late Vinod Mahabir Prasad Poddar
Mother	Sunita Vinod Poddar
Spouse	Arpit Gupta
Brother	Rahul Vinod Poddar
Sister	Not Applicable
Son	Averaj Gupta
Daughter	Not Applicable
Spouse Father	Anil Gupta
Spouse Mother	Achla Gupta
Spouse Brothers	Archit Gupta
Spouse Sisters	Not Applicable

A. Companies, partnership and proprietorship firms forming part of our Promoter Group are as follows:

Particulars	Entity
Any body corporate in which 20% or more of the share capital is held by the promoters or an immediate relative of the promoters or a firm or HUF in which the promoters or any one or more of his immediate relative is a member.	Aromatic Rasayan Private Limited
Any company in which a company (mentioned above) holds 20% of the total holding	Nil
Any HUF or firm in which the aggregate share of the promoters and his relatives is equal to or more than 20% of the total holding	Archit Gupta HUF Arpit Gupta HUF

#### COMMON PURSUITS OF OUR PROMOTERS

The promoter Group entities are having business objects similar to our business. Further, currently we do not have any non-compete agreement/arrangement with any of our Group Entities. Such a conflict of interest may have adverse effect on our business and growth. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

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## OUR GROUP ENTITIES

In terms of the SEBI (ICDR) Regulations for the purposes of identification of group companies, our Company has considered companies with which there were related party transactions, during the period for which the Restated Financial Statements has been included in this Draft Prospectus i.e. financial year ended March 31, 2023, March 31, 2022 and March 31, 2021, and period ended October 31, 2023 such other companies as considered material, in accordance with the Materiality Policy. In terms of the Materiality Policy, a company shall be considered material and disclosed as a Group Company if it:

(i) is a member of the Promoter Group and has entered into one or more transactions with the Company during the period for which financial information is disclosed in the Offer Document(s) individually or in the aggregate, exceed 10% of the total revenue of the Company for such period;

Or

(ii) such company would require disclosure in the financial statements of the Company subsequent to the latest period for which restated financial statements are included in the Offer Documents, as entities covered under Ind AS 24 (other than those companies which are already covered under Ind AS 24).

The Group Companies of our Company are as follows:

1. Aromatic Rasayan Private Limited

### DETAILS OF GROUP COMPANIES

#### **Aromatic Rasayan Private Limited:**

- **Corporate Information**

Aromatic Rasayan Private Limited was incorporated under the Companies Act, 1956 on February 01, 1995 having CIN U60100DL1995PTC064931. The registered office of Aromatic Rasayan Private Limited is situated at Ground Floor, Property No.555, Tarla Mohalla, Ghitorni, South West Delhi, New Delhi, Delhi, India, 110030.

- **Nature of Business of Company**

To carry on the business of manufactures of and dealers in chemicals, chemical compounds (organic and inorganic) in all forms, and chemical product of any nature and kind whatsoever, and by-products and joint product thereof.

- **Board of Directors**

The Directors of Aromatic Rasayan Private Limited as on the date of this Draft Prospectus are as follows:

Name	Designation
Sandeep Bansal	Director
Rishita Gupta	Director

- **Shareholding Pattern**

The Shareholding Pattern of Aromatic Rasayan Private Limited as on the date March 31, 2023 is as follows:

Shareholders Name	No. of Shares	% of total holding
Rishita Gupta	47,432	98%
Sarina Gupta	968	2%
<b>Total</b>	<b>48,400</b>	<b>100%</b>

• **Financial Performance**

Certain details of the audited financials of Aromatic Rasayan Private Limited are set forth below:

*(Amount in Lakhs)*

Particulars	FY 2023	FY 2022	FY 2021
Total Income	15,678.61	12,888.91	10,003.29
Profit After Tax	30.58	5.24	3.32
Equity Capital	4.84	4.84	4.84
Reserves & Surplus (excluding revaluation reserve)	(48.94)	(77.35)	(82.59)
Net Worth	(44.10)	(72.51)	(77.75)
NAV per share	(91.11) Per Share	(149.81) Per Share	(160.64) Per Share
Earnings per share (EPS)(Basic & Diluted)	63.71	10.94	6.87
No. of Equity Shares of Rs. 10/- each	48,400 Equity Shares	48,400 Equity Shares	48,400 Equity Shares

**Other Confirmations:**

- None of our Group Company is listed on any stock exchange nor any of the Group Company has made any public and/or rights issue of securities in the preceding three years.
- None of the above-mentioned Group Company is in defaults in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against any of the Group Company.
- None of the above-mentioned Group Company is a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 or is under winding up/insolvency proceedings.
- Our Group Company has not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

**Common pursuits**

Except as disclosed in “Our Business” and “Restated Financial Statements” on pages 130 and 197 respectively as on the date of the Draft Red Herring Prospectus, the group company do not have any common pursuits with our Company.

**Nature and extent of interest of our Group Company**

**a) Interest in the promotion of our Company**

None of our Group Company has any interest in the promotion of our Company.

**b) Interest in the property acquired or proposed to be acquired by the Company**

None of our Group Company is interested, directly or indirectly, in the properties acquired by our Company in the preceding three years or proposed to be acquired by our Company.

**c) Interest in transactions for acquisition of land, construction of building, or supply of machinery**

None of our Group Company is interested, directly or indirectly, in any transactions for acquisition of land, construction of building, supply of machinery, with our Company.

**Related business transactions and their significance on the financial performance of our Company**

Other than the transactions disclosed in the section “Financial Information –Related Party Transactions” on page 248 there are no related business transactions between the Group Company and our Company.

**Business interest of our Group Companies in our Company**

Except as disclosed in the section “Financial Information –Related Party Transactions” on page 248, our Group Company has no business interests in our Company.

**Litigations**

Our Group companies do not have any pending litigation which can have a material impact on our company.

**Undertaking / Confirmations by our Group Company**

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been

- i. Prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority; or
- ii. Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoters, person in control of our Company have ever been a Promoter, Director or person in control of any other Company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the relatives of our individual Promoters (as defined under the Companies Act) nor our Group companies/Promoter Group entities have been declared as a willful defaulter or economic offender by the RBI or any other government authority and there are no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings for violation of securities laws are pending against them.

The information as required by the SEBI (ICDR) Regulations with regards to the Group companies, are also available on the website of our company i.e. <https://www.ambeylab.com>



## **RELATED PARTY TRANSACTION**

For details on related party transaction of our Company, please refer to Annexure IX of Restated Financial Statements beginning on page 248 of this Draft Prospectus.

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## DIVIDEND POLICY

Under the Companies Act, 2013, an Indian company pays dividends upon recommendation by its Board of Directors and approval by a majority of the shareholders. Accordingly, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. All Dividends upon recommendation by our Board of Directors and approved by the shareholders at the General Meeting will be paid to credit of registered shareholders by way of cheque or warrant or in any electronic mode.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. Our Company has not declared or paid any dividend during the last three financial years ending on March 2023, 2022 and 2021 and six-month period ending on October 31, 2023 till the date of this DRHP.

Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company.

Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company. We may/ may not retain all our future earnings, if any, for use in the operations and expansion of our business. 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 other, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements.

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## SECTION VI – FINANCIAL INFORMATION

### INDEPENDENT AUDITOR’S EXAMINATION REPORT ON RESTATED STANDALONE FINANCIAL INFORMATION OF AMBEY LABORATORIES LIMITED

To,  
The Board of Directors  
**Ambey Laboratories Limited**  
Ground Floor, Property No.555  
Tarla Mohalla, Ghitorni,  
South West Delhi,  
New Delhi -110030

#### **Reference: - Proposed Public Issue of Equity Shares of Ambey Laboratories Limited.**

1. We have examined the attached restated standalone financial information of “**Ambey Laboratories Limited**” (hereinafter referred to as “the Company” or “the Issuer”) comprising the restated statement of assets and liabilities as at 31 October 2023, 31 March 2023, 31 March 2022 and 31 March 2021, restated statement of Profit and Loss and restated cash flow statement for the period ended on 31 October 2023 and for the financial year ended on 31 March 2023, 31 March 2022 and 31 March 2021 and the summary statement of significant accounting policies and other explanatory information (collectively referred to as the “**restated standalone financial information**” or “**restated standalone financial statements**”) annexed to this report and initiated by us for identification purposes. These Restated Standalone Financial Statements have been prepared by the management of the Company and approved by the board of directors at their meeting in connection with the proposed Initial Public Offering on Emerge Platform (“**IPO**” or “**SME IPO**”) of NSE Limited (“**NSE**”) of the company.
2. These restated summary statements have been prepared in accordance with the requirements of:
  - (i) Section 26 of Part – I of Chapter III of Companies Act, 2013 (the “**Act**”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (“**ICDR Regulations**”) and related amendments/ clarifications from time to time issued by the Securities and Exchange Board of India (“**SEBI**”);
  - (iii) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“**Guidance Note**”)
3. The Company’s Board of Directors is responsible for the preparation of the Restated Standalone Financial Statements for inclusion in the Draft Prospectus/Prospectus to be filed with Securities and Exchange Board of India (“**SEBI**”), SME platform of NSE Limited (“**NSE**”) and Registrar of Companies Delhi in connection with the proposed IPO. The Restated Standalone Financial Statements have been prepared by the management of the Company on the basis of preparation stated in Annexure IV to the Restated Standalone Financial Statements. The responsibility of the board of directors of the Company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Statements. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

4. We have examined such Restated Standalone Financial Statements taking in to consideration:
  - (i) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated December 1, 2023, in connection with the proposed SME IPO; and
  - (ii) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - (iii) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Standalone Financial Statements;
  - (iv) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
  
5. The Restated Standalone Financial Statements of the Company have been compiled by the management from:
  - (i) The audit for the period ended on 31 October 2023 was conducted by us and the audit for the financial year 31 March 2023 and 31 March 2022 was conducted by K.K. Baranwal & Associates and for the financial year 31 March 2021 was conducted by Sastry K Anandam & Co. LLP, Chartered Accountants Statutory Auditors. There are no material audit qualifications in the audit reports issued by the statutory and tax auditors for the financial year ended on 31 March 2023, 31 March 2022 and 31 March 2021 which would require adjustments in the Restated Standalone Financial Statements of the Company. The financial report included for these years is based solely on the report submitted by them.
  - (ii) We have Re-audited the Financial statements of the company in accordance with applicable standard as required under the SEBI ICDR regulations for the period ended on 31 October 2023 and for the financial year ended on 31 March 2023, 31 March 2022, 31 March 2021 prepared in accordance with the Indian Accounting Standards (Indian GAAP) which have been approved by the Board of Directors.
  - (iii) Based on our examination and according to information and explanations given to us, we are of the opinion that the Restated Standalone Financial Statements:
    - a) Have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/ reclassifications retrospectively for the period ended on 31 October 2023 and for the financial year ended on 31 March 2023, 31 March 2022 and 31 March 2021.
    - b) Do not require any adjustment for modification as there is no modification in the underlying audit reports;
    - c) There are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.
    - d) Have been prepared in accordance with the Act, ICDR Regulations and Guidance Note.
    - e) Adequate disclosure has been made in the financial statements as required to be made by

the issuer as per schedule III of the Companies Act, 2013.

- f) The accounting standards prescribed under the Companies act, 2013 have been followed.
- g) The financial statements present a true and fair view of the company's accounts.
- (iv) In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and engagement letter, we report that:
- (a) The **“Restated Summary Statement of Assets and Liabilities”** as set out in **Annexure I** to this report, of the Company as at 31 October 2023, 31 March 2023, 31 March 2022 and 31 March 2021 are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV & V** to this Report.
- (b) The **“Restated Summary Statement of Profit and Loss”** as set out in **Annexure II** to this report, of the Company for the period ended on 31 October 2023 and for the financial year ended on 31 March 2023, 31 March 2022 and 31 March 2021 are prepared by the Company and approved by the Board of Directors. These Restated summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV & V** to this Report.
- (c) The **“Restated Summary Statement of Cash Flow”** as set out in **Annexure III** to this report, of the Company for the period ended on 31 October 2023 and for the financial year ended on 31 March 2023, 31 March 2022 and 31 March 2021 are prepared by the Company and approved by the Board of Directors. These Restated summary Statement of Cash Flow have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV & V** to this Report.
- (v) We have also examined the following other financial information relating to the Company prepared by the management and as approved by the board of directors of the Company and annexed to this report relating to the Company for the period ended on 31 October 2023 and for the financial year ended on 31 March 2023, 31 March 2022 and 31 March 2021 proposed to be included in the Draft Prospectus/Prospectus (**“Offer Document”**).

<b>Annexure No.</b>	<b>Particulars</b>
<b>I</b>	<b>Restated Statement of Assets &amp; Liabilities</b>
I.1	Restated Statement of Share Capital
I.2	Restated Statement of Reserves & Surpluses
I.3	Restated Statement of Long-Term Borrowings
I.4	Restated Statement of Deferred Tax Liabilities/Assets
I.5	Restated Statement of Other Non- Current Liabilities
I.6	Restated Statement of Long-Term Provisions

I.7	Restated Statement of Short-Term Borrowings
I.8	Restated Statement of Trade Payable
I.9	Restated Statement of Other Current Liabilities
I.10	Restated Statement of Short-Term Provisions
I.11	Restated Statement of Property, Plant and Equipment
I.12	Restated Statement of Long-Term Loans and Advances
I.13	Restated Statement of Current Investments
I.14	Restated Statement of Inventories
I.15	Restated Statement of Trade Receivable
I.16	Restated Statement of Cash & Cash Equivalent
I.17	Restated Statement of Short-Term Loans and Advances
I.18	Restated Statement of Other Current Assets
<b>II</b>	<b>Restated Statement of Profit &amp; Loss</b>
II.1	Restated Statement of Revenue from operations
II.2	Restated Statement of Other Income
II.3	Restated Statement of Cost of Material Consumed
II.4	Restated Statement of Change in Inventories
II.5	Restated Statement of Employees Benefit Expenses
II.6	Restated Statement of Other Expenses
II.7	Restated Statement of Financial Charges
II.8	Restated Statement of Provision for Taxation
<b>Other Annexures:</b>	
III	Statement of Cash Flow, As Restated
IV	Statement of Significant Accounting Policies
V	Notes to the Re-stated Financial Statements
VI	Statement of Accounting & Other Ratios, As Restated
VII	Statement of Capitalization, As Restated
VIII	Statement of Tax Shelter, As Restated
IX	Statement of Related Parties & Transactions
X	Statement of Dividends
XI	Changes in the Significant Accounting Policies
XII	Contingent Liabilities

(vi) We, M/s. Kapish Jain & Associates, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.

(vii) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by any other firm of chartered accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

(viii) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

- (ix) Our report is intended solely for use of the Board of Directors for inclusion in the Offer Document in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Kapish Jain & Associates**,  
Chartered Accountants,  
Firm Registration No: 022743N

Sd/-

**CA Kapish Jain**  
Partner  
Membership No: 514162  
UDIN: 24514162BKBHTP6882

Place: New Delhi  
Date: 30 January 2024

## RESTATED STATEMENT OF ASSETS AND LIABILITIES

Annexure I

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	Annexure No.	As at	As at	As at	As at
		31 October 2023	31 March 2023	31 March 2022	31 March 2021
<b>Equity &amp; Liabilities</b>					
<b>1. Shareholders Fund</b>					
a) Share Capital	I.1	1,868.88	1,774.94	1,774.94	489.35
b) Reserves and Surplus	I.2	1,432.58	588.66	131.73	(1,275.74)
<b>Total Shareholder's Fund</b>		<b>3,301.46</b>	<b>2,363.60</b>	<b>1,906.67</b>	<b>(786.39)</b>
<b>2. Non-Current Liabilities</b>					
a) Long Term Borrowings	I.3	1,176.75	1,273.35	1,430.55	2,959.74
b) Deferred Tax Liability	I.4	-	-	-	-
c) Other Non-Current Liabilities	I.5	46.93	46.93	46.93	48.97
c) Long Term Provisions	I.6	50.69	50.47	50.60	47.11
<b>Total Non-Current Liabilities</b>		<b>1,274.37</b>	<b>1,370.75</b>	<b>1,528.08</b>	<b>3,055.82</b>
<b>3. Current Liabilities</b>					
a) Short Term Borrowings	I.7	374.54	91.87	374.31	333.24
b) Trade Payables	I.8	2,071.01	1,623.04	1,487.48	1,619.44
c) Other Current Liabilities	I.9	209.59	98.16	110.44	135.44
d) Short Term Provisions	I.10	247.45	214.43	185.96	104.25
<b>Total Current Liabilities</b>		<b>2,902.59</b>	<b>2,027.50</b>	<b>2,158.19</b>	<b>2,192.37</b>
<b>Total Equity &amp; Liability</b>		<b>7,478.42</b>	<b>5,761.85</b>	<b>5,592.94</b>	<b>4,461.80</b>
<b>4. Non-Current Assets</b>					
a) Property, Plant and Equipment and Intangible Assets	I.11				
- Property, Plant and Equipment		2,241.18	2,421.84	2,411.08	1,457.38
- Intangible Assets		85.88	99.88	97.73	127.47
- Work-In-Progress		42.95	-	-	95.12
<b>Total Fixed Assets</b>		<b>2,370.01</b>	<b>2,521.72</b>	<b>2,508.81</b>	<b>1,679.97</b>
b) Non-Current Investments		-	-	-	-



c) Deferred Tax Assets (Net)	I.4	238.47	432.01	596.99	722.59
d) Long Term Loans and Advances	I.12	48.23	45.53	44.82	45.85
e) Other Non- current Assets		-	-	-	-
<b>Total Non-Current Assets</b>		<b>2,656.71</b>	<b>2,999.26</b>	<b>3,150.62</b>	<b>2,448.41</b>
<b>5. Current assets</b>					
a) Current Investments	I.13	78.12	60.44	-	-
b) Inventories	I.14	1,742.76	1,712.03	1,075.09	873.23
c) Trade Receivables	I.15	2,135.02	356.51	852.44	696.68
d) Cash and Cash Equivalents balances	I.16	43.06	41.09	28.90	51.10
c) Short Term Loans and advances	I.17	432.25	307.03	329.67	272.93
d) Other Current Assets	I.18	390.50	285.49	156.22	119.45
<b>Total Current Assets</b>		<b>4,821.71</b>	<b>2,762.59</b>	<b>2,442.32</b>	<b>2,013.39</b>
<b>Total Assets</b>		<b>7,478.42</b>	<b>5,761.85</b>	<b>5,592.94</b>	<b>4,461.80</b>

**Note:** The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements Appearing in Annexure IV & V respectively.

**For KAPISH JAIN & ASSOCIATES**  
Chartered Accountants  
Firm Reg. No. 022743N

**For and on behalf of the Board of**  
**AMBEY LABORATORIES LIMITED**

Sd/-  
CA KAPISH JAIN  
Partner  
Membership No. 514162

Sd/-  
Sarina Gupta  
Director  
DIN: 087087098

Sd/-  
Rishita Gupta  
Director  
DIN: 07932723

Place: New Delhi  
Date: 30 January 2024

Sd/-  
Rimple Sarin  
Company Secretary  
M. No. A66345

Sd/-  
Sarvar Alam  
Chief Financial Officer  
PAN: BGOPA2094P

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**RESTATED STATEMENT OF PROFIT & LOSS ACCOUNT**

**ANNEXURE - II**

*(All amounts in ₹ lakh, unless otherwise stated)*

Particulars	Annexure No.	For the period ended	For the year ended	For the year ended	For the year ended
		31 October 2023	31 March 2023	31 March 2022	31 March 2021
<b>Income</b>					
I Revenue from Operations	II.1	6,993.36	10,482.12	8,460.07	8,173.94
II Other Income	II.2	12.24	261.35	51.12	67.60
<b>III Total Income</b>		<b>7,005.60</b>	<b>10,743.47</b>	<b>8,511.19</b>	<b>8,241.54</b>
<b>IV Expenditure</b>					
(a) Cost of Material Consumed	II.3	6,244.27	9,294.15	6,991.03	6,447.80
(b) Change in Inventories	II.4	(429.43)	(302.97)	(101.34)	187.55
(c) Employee Benefit Expenses	II.5	103.00	241.50	195.03	191.02
(d) Other Expenses	II.6	113.62	408.06	341.26	374.57
<b>V Total Expenses</b>		<b>6,031.46</b>	<b>9,640.74</b>	<b>7,425.98</b>	<b>7,200.94</b>
<b>VI. Profit Before Interest, Depreciation and Tax</b>		<b>974.14</b>	<b>1,102.73</b>	<b>1,085.21</b>	<b>1,040.60</b>
VII. Depreciation and amortization expense	I.11	196.20	296.26	297.03	322.22
VIII Profit Before Interest and Tax (VI-VII)		777.93	806.47	788.18	718.38
<b>IX Financial Charges</b>	<b>II.7</b>	101.54	183.73	305.11	409.53
<b>X Profit Before Exceptional and Extraordinary Items and Taxes (VIII-IX)</b>		<b>676.39</b>	<b>622.74</b>	<b>483.07</b>	<b>308.85</b>
XI Exceptional Items - Prior period items		-	0.83	-	-
XII Profit Before Extraordinary Items and Taxes (X-XI)		<b>676.39</b>	<b>621.91</b>	<b>483.07</b>	<b>308.85</b>

XIII Extraordinary Items		-	-	-	-
XIV Profit Before Tax (XII-XIII)		<b>676.39</b>	<b>621.91</b>	<b>483.07</b>	<b>308.85</b>
<b>XV Tax Expenses</b>					
Current tax		112.90	103.81	80.63	51.55
Current tax for earlier year	<b>II.8</b>	10.00	-	-	-
Deferred tax charge(benefit)		193.54	164.98	125.60	(724.83)
MAT credit entitlement		(112.90)	(103.81)	(80.63)	(51.55)
<b>Total tax Expenses</b>		<b>203.54</b>	<b>164.98</b>	<b>125.60</b>	<b>(724.83)</b>
<b>Net Profit/(Loss) for the Year (XIV-XV)</b>		<b>472.86</b>	<b>456.93</b>	<b>357.47</b>	<b>1,033.67</b>
<b>Basic and Diluted Equity Per Share</b>		<b>2.65</b>	<b>2.57</b>	<b>7.08</b>	<b>21.12</b>

**Note:** The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements Appearing in Annexure IV & V respectively.

**For KAPISH JAIN & ASSOCIATES**  
Chartered Accountants  
Firm Reg. No. 022743N

**For and on behalf of the Board of**  
**AMBEY LABORATORIES LIMITED**

Sd/-  
CA KAPISH JAIN  
Partner  
Membership No. 514162

Sd/-  
Sarina Gupta  
Director  
DIN: 087087098

Sd/-  
Rishita Gupta  
Director  
DIN: 07932723

Place: Delhi  
Date: 30 January 2024

Sd/-  
Rimple Sarin  
Company Secretary  
M. No. A66345

Sd/-  
Sarvar Alam  
Chief Financial Officer  
PAN: BGOPA2094P

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## RESTATED CASH FLOW STATEMENT

ANNEXURE – III  
(All amounts in lakh, unless stated otherwise)

PARTICULARS	31 October 2023	31 March 2023	31 March 2022	31 March 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit Before Tax as per Profit & Loss A/c	676.39	621.91	483.07	308.85
<b>Adjusted for:</b>				
a. Depreciation	196.20	296.26	297.03	322.22
b. Interest Expenses & Finance Cost	101.54	183.73	305.11	409.53
c. Unrealized foreign currency (gain)/loss	(9.26)	-	(3.74)	(3.70)
d. Interest Income	(0.04)	(0.62)	(0.58)	(4.03)
<b>Operating profit before working capital changes</b>	<b>964.83</b>	<b>1,101.28</b>	<b>1,080.89</b>	<b>1,032.88</b>
Adjusted for:				
a. Decrease /(Increase) in Inventories	(30.73)	(636.94)	(201.86)	505.78
b. Decrease / (Increase) in Trade Receivable	(1,769.25)	495.93	(152.01)	(198.79)
c. Decrease / (Increase) in Long Term Loans and Advances	(2.70)	(0.71)	1.03	88.95
d. Decrease / (Increase) in Short Term Loans and Advances	(125.20)	22.63	(56.75)	(25.00)
e. Decrease / (Increase) in Other Assets	(105.01)	(129.27)	(36.76)	(100.50)
f. Increase / (Decrease) in Trade Payables	447.97	135.56	(131.96)	(296.16)
g. Increase / (Decrease) in Long Term Provisions	0.22	(0.13)	3.50	(1.98)
h. Increase / (Decrease) in Other Liabilities	111.78	(10.92)	(21.94)	(783.91)
i. Increase / (Decrease) current asset current investment	(17.68)	(60.44)	-	-
<b>Cash generated from operations</b>				
Net Income Tax (Paid)/Refund	22.65	27.14	76.57	53.06
<b>Net Cash Generated/(Used) From Operating Activities (A)</b>	<b>(503.11)</b>	<b>944.10</b>	<b>560.72</b>	<b>274.32</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
a. (Purchase) Sale of Fixed Assets	(44.49)	(309.17)	(75.88)	(120.73)
b. Interest & Other Income	0.04	0.62	0.58	4.03

<b>Net Cash Generated/(Used) From Investing Activities (B)</b>	<b>(44.45)</b>	<b>(308.55)</b>	<b>(75.30)</b>	<b>(116.71)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
a. Interest & Finance Cost	(101.54)	(183.73)	(305.11)	(409.53)
b. Proceeds from issues of equity shares	465.00	-	-	-
c. (Repayments) / proceeds of long-term borrowings	(96.60)	(157.20)	(243.60)	(72.73)
d. (Repayments) / proceeds of short-term borrowings	282.67	(282.44)	41.07	333.24
<b>Net Cash Generated/(Used) From Financing Activities (C)</b>	<b>549.54</b>	<b>(623.37)</b>	<b>(507.64)</b>	<b>(149.02)</b>
<b>Net Increase / (Decrease ) in cash and cash equivalents</b>	1.97	12.19	(22.20)	8.58
<b>Cash and cash equivalents at the beginning of the year</b>	41.09	28.90	51.10	42.52
<b>Cash and cash equivalents at the end of the year</b>	43.06	41.09	28.90	51.10
<b>Notes:</b>				
1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement Previous year's figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year.				
2. The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements Appearing in Annexure IV & V respectively.				

<b>For KAPISH JAIN &amp; ASSOCIATES</b> Chartered Accountants Firm Reg. No. 022743N	<b>For and on behalf of the Board of</b> <b>AMBEY LABORATORIES LIMITED</b>	
Sd/- CA KAPISH JAIN Partner Membership No. 514162	Sd/- Sarina Gupta Director DIN: 087087098	Sd/- Rishita Gupta Director DIN: 07932723
Place: Delhi Date: 30 January 2024	Sd/- Rimple Sarin Company Secretary M. No. A66345	Sd/- Sarvar Alam Chief Financial Officer PAN: BGOPA2094P

## NOTES TO RESTATED FINANCIAL INFORMATION

### ANNEXURE IV

### SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED FINANCIAL STATEMENTS

#### **1. Background**

Ambey Laboratories Limited ('the Company') is a Company limited by shares domiciled in India, with its registered office situated at Ground Floor, Property No. 555 Tarla Mohalla, Ghitorni, New Delhi - 110030. The Company has been incorporated under Companies Act, 1956 (substituted by Companies Act, 2013) on 20 March 1985 (CIN U74899DL1985PLC020490). The Company primarily engaged in the business of manufacturing and distribution of agro and home hygiene products.

#### **2. Summary of significant accounting policies**

##### **i) Basis of Preparation**

The Restated Summary Statement of the Assets and Liabilities of the Company as at 31st October 2023, 31st March 2023, 31st March 2022 and 31st March 2021, the Restated Summary Statement of Profit and Loss and the Restated Summary Statement of Cash Flow thereof (collectively referred to as 'Restated Summary Statements') have been compiled by the management of the Company and have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with the proposed Initial Public Offering (hereinafter referred to as 'IPO').

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with rule 7 of the companies (Accounts) rules 2015. The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees.

##### **ii) Use of estimates**

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### **iii) Property, Plant and Equipment**

###### **Tangible assets**

Tangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, borrowing costs, if capitalization criteria are met and any cost

attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during acquisition and exclusive of Input tax credit (IGST/CGST and SGST) or other tax credit available to the Company.

When parts of an item of tangible assets have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure relating to tangible assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

### **Intangible assets**

Acquired intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight-line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

#### **iv) Depreciation on property, plant and equipment**

Based on management's evaluation, useful life prescribed in Schedule II of the Companies Act, 2013 represent actual useful life of property, plant and equipment. The Company uses written down value method and has used following useful lives to provide depreciation of different class of its property, plant and equipment.

<b>Particulars</b>	<b>Useful life in years</b>
Building	30
Plant and machinery (Vessel/ Storage tank)	20
Plant and machinery	15
Furniture and fixture	10
Electrical Installation and Equipment	10
Laboratory Equipment	10
Office equipments	5
Vehicles	8
Computer	3
Computer software	10

The Company has adopted Schedule II to the Companies Act, 2013 which requires identification and determination of separate useful life for each major component of the property, plant and equipment, if they have useful life that is materially different from that of the remaining asset. (Component Accounting).

Depreciation on addition to tangible assets is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/discard from tangible assets is provided for upto the date of sale, deduction or discard of tangible assets as the case may be.

**v) Impairment of Assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation/amortization is provided on the revised carrying amount of the asset over its remaining useful life.

**vi) Foreign currency translation**

**Initial recognition:**

Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Conversion:**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when such values were determined.

**Exchange differences:**

Exchange differences arising on the settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they occur.

**vii) Revenue recognition**

Revenue is recognised to the extent, that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Revenue from sale of goods**

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer.

**Interest income**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate.

**Dividend income**



Dividend income on shares of corporate bodies and units of mutual funds is accounted on accrual basis when the Company's right to receive dividend is established.

#### **Revenue from sale of services**

Revenue from sale of services is accounted based on stage of completion of assignments, when there is reasonable certainty of its ultimate realisation.

### **viii) Investment**

#### **Non-Current Investment**

Non-current investments are investments intended to be held for a period of more than a year. Non-current investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

#### **Current Investment**

Current investments are investments intended to be held for a period of less than a year. Current investments are stated at the lower of cost and market value, determined on an individual investment basis.

### **ix) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits with banks. Bank overdrafts are shown within borrowings in current liabilities in balance sheet.

### **x) Employees Benefit**

Employee benefits in the form of Provident Fund and Employee State Insurance Scheme are defined contribution plans and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

Short-term employee benefits: All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date. The defined benefit obligation is calculated at the balance sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to the Statement of Profit and Loss in the year in which such gains or losses are determined.

### **xi) Inventories**

Inventories are valued at lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct cost and related overheads.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

## **xii) Income taxes**

Tax expense for the period comprises of current tax, deferred tax and Minimum alternate tax credit considered in determining the net profit or loss for the year.

### **Current tax**

Provision for current tax is recognized on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961.

### **Deferred tax**

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the reporting date.

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and are written-down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

At each reporting date, the Company reassesses the unrecognized deferred tax assets, if any.

### **Minimum alternate tax**

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as “MAT Credit Entitlement.” The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

## **xiii) Leases**

### **Operating leases - As a lessee**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to Statement of Profit and Loss on a straight-line basis over the period of lease.

## **xiv) Provisions, Contingent Liability and Contingent Asset**

### Provisions

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

### Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

### Contingent assets

Contingent assets are neither recorded nor disclosed in the financial statements.

### xv) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares are adjusted for events such as bonus issue, bonus element in the rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### Annexure I.1: Restated Statement of Share Capital (Amount in Lakh)

Particulars	As at 31st Oct, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Authorised Share Capital</b>				
No. of equity share of Rs. 10/- each	2,00,00,000	20,00,000	20,00,000	7,00,000.00
Authorised Share Capital	20,000.00	2,000.00	2,000.00	700.00
<b>Issued, Subscribed &amp; Fully Paid-up</b>				
No. of equity share of Rs. 10/- each for the period ended 31st Oct 23 and Rs. 100/- for the year ended March 2023, 2022 & 2021	1,86,88,819	17,74,942	17,74,942	4,89,350
Issued, Subscribed & Fully Paid-up	1,868.88	1,774.94	1,774.94	489.35

Note: The Company has one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. All shareholders are equally entitled to dividend. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts, if any) in the proportion of equity shares held by the shareholders.

**Reconciliation of No. of Shares Outstanding at the end of the year** *(No. of Equity Shares)*

Particulars	As at 31st Oct, 2023	As at March 31,2023	As at March 31, 2022	As at March 31, 2021
Shares outstanding at the beginning of the year	1,77,49,420	17,74,942	4,89,350	4,89,350
Shares issued during the year	9,39,399	-	12,85,592	-
Bonus Issued during the year	-	-	-	-
<b>Share outstanding at the end of the year</b>	<b>1,86,88,819</b>	<b>17,74,942</b>	<b>17,74,942</b>	<b>4,89,350</b>

**Details of Shareholders holding more than 5% of the aggregate shares in the company**

Name of shareholders	As at 31st Oct, 2023	As at March 31,2023	As at March 31, 2022	As at March 31, 2021
<b>Anil Gupta</b>				
No. of Shares	-	1,57,717	7,79,310	2,19,295
% of holding	-	8.89%	43.91%	45%
<b>Archit Gupta</b>				
No. of Shares	-	6,07,682	2,79,152	1,14,630
% of holding	-	34.24%	15.73%	23%
<b>Arpit Gupta</b>				
No. of Shares	-	6,18,116	2,89,588	1,14,630
% of holding	-	34.82%	16.32%	23%
<b>Achla Gupta</b>				
No. of Shares	-	1,72,169	2,25,634	-
% of holding	-	9.70%	12.71%	-
<b>Anil Gupta HUF</b>				
No. of Shares	-	1,19,754	1,19,754	-
% of holding	-	6.75%	6.75%	-
<b>Sarina Gupta</b>				
No. of Shares	1,73,99,180	-	-	-
% of holding	93.10%	-	-	-

<b>Details of The Shareholding pattern of the promoters at the year end as follows:</b>			
<b>As at 31st Oct, 2023</b>			
<b>Name of the Promoters/Shareholders</b>	<b>No. of Shares Held</b>	<b>% of Holding</b>	<b>% Change during the year</b>
Sarina Gupta	1,73,99,180	93.10%	100%
Rishita Gupta	3,50,240	1.87%	100%
<b>As at 31st March, 2023</b>			
<b>Name of the Promoters/Shareholders</b>	<b>No. of Shares Held</b>	<b>% of Holding</b>	<b>% Change during the year</b>
Anil Gupta	1,57,717	8.89%	0.35
Archit Gupta	6,07,682	34.24%	0.19
Arpit Gupta	2,89,588	34.82%	0.19
<b>As at 31st March, 2022</b>			
<b>Name of the Promoters/Shareholders</b>	<b>No. of Shares Held</b>	<b>% of Holding</b>	<b>% Change during the year</b>
Anil Gupta	7,79,310	43.91%	0.01
Archit Gupta	2,79,152	15.73%	0.08
Arpit Gupta	2,89,588	16.32%	0.07
<b>As at 31st March, 2021</b>			
<b>Name of the Promoters/Shareholders</b>	<b>No. of Shares Held</b>	<b>% of Holding</b>	<b>% Change during the year</b>
Anil Gupta	2,19,295	44.81%	-
Archit Gupta	1,14,630	23.42%	-
Arpit Gupta	1,14,630	23.42%	-

**Annexure – I.2 Restated Statement of Reserve & Surplus (Amount in Lakh)**

<b>Particulars</b>	<b>As at 31st Oct, 2023</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>Statement of Profit &amp; Loss</b>				
Opening balance	588.66	131.73	(1,275.74)	(2,260.32)
Add: Profit for the year	472.86	456.93	357.47	1,033.67
Add: Revaluation of Land	-	-	1,050.00	-
<b>Total</b>	<b>1,061.52</b>	<b>588.66</b>	<b>131.73</b>	<b>(1,226.64)</b>
Less: Utilised for Bonus Issue	-	-	-	-
Less: Other adjustment	-	-	-	(49.09)
<b>Balance as at the end of the year</b>	<b>1,061.52</b>	<b>588.66</b>	<b>131.73</b>	<b>(1,275.74)</b>
Security Premium Reserve	371.06	-	-	-
Revaluation Reserves	-	-	-	-
Other Reserves, If Any (Please Specify)	-	-	-	-

<b>Total Reserve &amp; Surplus</b>	1,432.58	588.66	131.73	(1,275.74)
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**Annexure – I.3 Restated Statement of Long-Term Borrowings (Amount in Lakh)**

Particulars	As at 31st Oct, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Secured Loans</b>				
<b>From Banks</b>				
- Bank/Financial Institution	1,077.23	1,104.17	1,089.77	1,413.48
- Vehicle Loan	-	-	-	0.41
<b>Unsecured Loans</b>				
<b>From Banks / Financial Institutions</b>				
- Bank/ Financial Institution	-	40.61	107.04	154.39
<b>From others</b>				
- Loans from Directors and relatives	8.02	37.07	142.24	1,299.97
- Other long-term Loan from corporates	91.50	91.50	91.50	91.50
<b>Total</b>	1,176.75	1,273.35	1,430.55	2,959.74

**Restated Statement of Principal terms of Secured Loans and Assets charged as Security**

(Amount in Lakh)

Name of Lender	Purpose	Rate of Interest	Repayment Schedule	Security	Outstanding amount as at 31st Oct, 2023	Outstanding amount as at 31 Mar 2023
<b>Secured Loans</b>						
-Aditya Birla Finance Ltd	Towards takeover of existing facilities from ACRE	11.50%*	169 Months (From the date of disbursement)	First charge on property (Plot no. SPI-5, RIICO Industrial Area, Sotanala, Rajasthan. Exclusive charge on Plant and machinery of the company.	1,077.23	1,104.17

-Vehicle Loan					-	-
<b>Unsecured Loans</b>						
- Loans from Directors					8.02	37.07
- Bank/ Financial Institution	Working Capital	18.00%	48 Months with Moratorium of 3 months	-	-	40.61
- Other long-term Loan					91.50	91.50

\* Rate of interest revised w.e.f. 14-07-2023, earlier it was 12% repayable in 144 months.

#### Restated Statement of Principal terms of Secured Loans and Assets charged as Security

(Amount in Lakh)

Name of Lender	Purpose	Rate of Interest	Repayment Schedule	Security	Outstanding amount as at 31st Mar 2022	Outstanding amount as at 31 Mar 2021
<b>Secured Loans</b>						
- Asset Care & Reconstruction Enterprise Limited	Repayment of Previous Loan	21%	60	Pari pasu charges on current assets, Factory Land and Building (SPI-5, Sotanala Ind. Area), Property situated at G-2, 34/1, Vikas apartment, Delhi of the company. Exclusive charges on movable assets of the company.	1,089.77	1,413.48
- Vehicle Loan	Vehicle purchase	10.41%		Hypothecated by Vehicle	-	0.41

<b>Unsecured Loans</b>						
- Loans from Directors					142.24	1,299.97
- Bank/ Financial Institution	Working Capital	18%	48 Months with Moratorium of 3 months	-	107.04	154.39
- Other long-term Loan					91.50	91.50

**Annexure– I.4 Restated Statement of Deferred Tax Liabilities/Assets (Amount in Lakh)**

Particulars	As at 31st Oct, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Deferred Tax Assets/Liabilities Provision</b>				
WDV As Per Companies Act 2013	1,227.56	1,422.22	1,409.32	1,535.35
WDV As Per Income tax Act	1,445.29	1,636.90	1,561.05	1,619.69
Difference in WDV	<b>(217.73)</b>	<b>(214.67)</b>	<b>(151.73)</b>	<b>(84.34)</b>
Provision for employee benefits (Gratuity & Leave encashment)	(64.73)	(64.13)	(62.93)	(54.30)
Unabsorbed Depreciation and losses	(634.73)	(1,382.78)	(2,081.45)	(2,640.54)
<b>(DTA)/DTL</b>	<b>(238.47)</b>	<b>(432.01)</b>	<b>(596.99)</b>	<b>(722.59)</b>
<b>Deferred Tax Assets Provision</b>				
Opening Balance of (DTA)/DTL	<b>(432.01)</b>	<b>(596.99)</b>	<b>(722.59)</b>	<b>2.24</b>
Add: Provision for the year	193.54	164.98	125.60	(724.83)
<b>Closing Balance of (DTA)/DTL</b>	<b>(238.47)</b>	<b>(432.01)</b>	<b>(596.99)</b>	<b>(722.59)</b>

**Annexure – I.5 Restated Statement of Other Non-Current Liabilities (Amount in Lakh)**

Particulars	As at 31st Oct, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Other Payable	46.93	46.93	46.93	48.97
<b>Total</b>	<b>46.93</b>	<b>46.93</b>	<b>46.93</b>	<b>48.97</b>



**Annexure –I.6 Restated Statement of Long-Term Provision (Amount in Lakh)**

Particulars	As at 31st Oct, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Provision for Gratuity	47.34	47.76	47.64	43.81
Provision for Leave Encashment	3.35	2.72	2.96	3.30
<b>Total</b>	<b>50.69</b>	<b>50.47</b>	<b>50.60</b>	<b>47.11</b>

**Annexure – I.7 Restated Statement of Short-Term Borrowings (Amount in Lakh)**

Particulars	As at 31st Oct, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Secured Loans</b>				
<b>(a) From Bank</b>				
Current Maturities of long-term borrowings	39.72	31.37	323.71	219.93
Drop-line Overdraft (DLOD)	267.68	-	-	-
<b>Total</b>	<b>307.40</b>	<b>31.37</b>	<b>323.71</b>	<b>219.93</b>
<b>Unsecured Loans</b>				
Current Maturities of long-term borrowings	67.14	60.50	50.60	113.32
Loans from Related Parties	-	-	-	-
<b>Total</b>	<b>374.54</b>	<b>91.87</b>	<b>374.31</b>	<b>333.24</b>

**Restated Statement of Terms and Conditions of Short-Term Borrowing:**

(Amount in Lakh)

Name of Lender	Purpose	Rate of Interest	Repayment Schedule	Security	Outstanding amount as at 31st Oct, 2023	Outstanding amount as at 31 Mar 2023
<b>Secured Loans</b>						
-Aditya Birla Finance Ltd	Towards takeover of existing	11.50%*	169 Months (From the date of disbursement)	First charge on property (Plot no. SPI-5, RIICO Industrial	39.72	31.37

	facilities from ACRE			Area, Sotanala, Rajasthan. Exclusive charge on Plant and machinery of the company .		
- Aditya Birla Finance Ltd{ Drop-line Overdraft (DLOD) }	Working Capital	11.5%	-	First charge on current assets & property (Plot no. SPI-5, RIICO Industrial Area, Sotanala, Rajasthan. Exclusive charge on Plant and machinery of the company.	267.68	-

\* Rate of interest revised w.e.f. 14-07-2023, earlier it was 12% repayable in 144 months

Name of Lender	Purpose	Rate of Interest	Repayment Schedule	Security	Outstanding amount as at 31st Mar 2022	Outstanding amount as at 31 Mar 2021
<b>Secured Loans</b>						
- Asset Care & Reconstruction Enterprise Limited	Repayment of Previous Loan	21%	60	Pari pasu charges on current assets, Factory Land and Building (SPI-5, Sotanala Ind. Area), Property situated at G-2, 34/1, Vikas apartment, Delhi of the company. Exclusive charges on movable assets of the company.	323.71	219.93

**Annexure – I.8 Restated Statement of Trade Payables (Amount in Lakh)**

Particulars	As at 31st Oct, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Trade Payables</b>				
- MSME*	770.62	-	-	-
- Others	1,300.39	1,623.04	1,487.48	1,619.44
- Disputed dues - MSME*	-	-	-	-
- Disputed dues – Others	-	-	-	-
<b>Total</b>	<b>2,071.01</b>	<b>1,623.04</b>	<b>1,487.48</b>	<b>1,619.44</b>

\*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

**Ageing Analysis of Trade Payable**
**(Amount in Lakhs)**

<b>Outstanding for following periods from due date of payment</b>					
<b>As at 31st Oct, 2023</b>					
<b>Particulars</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	<b>Total</b>
- MSME*	756.58	4.08	9.96	-	770.62
- Others	1,300.39	-	-	-	1,300.39
- Disputed dues - MSME*	-	-	-	-	-
- Disputed dues – Others	-	-	-	-	-

**Ageing Analysis of Trade Payable**
**(Amount in Lakhs)**

<b>Outstanding for following periods from due date of payment</b>					
<b>As at 31st March, 2023</b>					
<b>Particulars</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	<b>Total</b>
- MSME*	-	-	-	-	-
- Others	1,483.28	139.76	-	-	1,623.04
- Disputed dues - MSME*	-	-	-	-	-
- Disputed dues – Others	-	-	-	-	-

**Ageing Analysis of Trade Payable**
**(Amount in Lakhs)**

<b>Outstanding for following periods from due date of payment</b>					
<b>As at 31st March, 2022</b>					
<b>Particulars</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	<b>Total</b>
- MSME*	-	-	-	-	-
- Others	1,277.89	10.57	120.70	78.32	1,487.48
- Disputed dues - MSME*	-	-	-	-	-
- Disputed dues – Others	-	-	-	-	-

**Ageing Analysis of Trade Payable**
**(Amount in Lakhs)**

<b>Outstanding for following periods from due date of payment</b>					
<b>As at 31st March, 2021</b>					

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
- MSME*	-	-	-	-	-
- Others	1,619.44	-	-	-	1,619.44
- Disputed dues - MSME*	-	-	-	-	-
- Disputed dues – Others	-	-	-	-	-

**Annexure – I.9 Restated Statement of Other Current Liabilities (Amount in Lakhs)**

Particulars	As at October 31 <sup>st</sup> , 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Statutory Dues Payable	108.23	51.71	58.55	35.22
EPF & ESIC Payable	13.50	2.39	2.33	2.11
Advances from Customer	9.89	9.85	9.61	10.09
Salary Payables	56.21	31.64	38.32	84.80
Other expenses payable	14.85	2.57	1.63	1.72
Book Overdraft	6.91	-	-	1.51
Other Current Liabilities	-	-	-	-
<b>Total</b>	<b>209.59</b>	<b>98.16</b>	<b>110.44</b>	<b>135.44</b>

**Annexure – I.10 Restated Statement of Short-Term Provision (Amount in Lakhs)**

Particulars	As at October 31 <sup>st</sup> , 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Provision for Income Tax for Earlier Year	-	-	-	-
Provision for Income Tax Current Year	233.42	200.77	173.63	97.06
Provision for Gratuity	12.83	12.45	10.92	6.08
Provision for Leave Encashment	1.21	1.20	1.40	1.11
<b>Total</b>	<b>247.45</b>	<b>214.43</b>	<b>185.96</b>	<b>104.25</b>

**Annexure – I.11 Restated Statement of Fixed Assets (Amount in Lakhs)**

Particulars	As at October 31 <sup>st</sup> , 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>(A) Tangible Assets</b>				
<i>Furniture &amp; Fittings</i>				

Gross Block - Opening Balance	21.41	21.33	21.33	16.09
Addition/Sale during the year	-	0.08	-	5.24
<b>Gross Block - Closing Balance</b>	<b>21.41</b>	<b>21.41</b>	<b>21.33</b>	<b>21.33</b>
Accumulated Depreciation - Opening Balance	17.85	16.89	15.32	14.49
Depreciation during the year	0.56	0.96	1.57	0.84
<b>Accumulated Depreciation - Closing Balance</b>	<b>18.42</b>	<b>17.85</b>	<b>16.89</b>	<b>15.32</b>
<b>Net Block</b>	<b>2.99</b>	<b>3.56</b>	<b>4.44</b>	<b>6.01</b>
<b>Computers &amp; Other Accessories</b>				
Gross Block - Opening Balance	19.81	18.96	18.43	17.26
Addition/Sale during the year	0.36	0.85	0.53	1.17
<b>Gross Block - Closing Balance</b>	<b>20.17</b>	<b>19.81</b>	<b>18.96</b>	<b>18.43</b>
Accumulated Depreciation - Opening Balance	18.66	17.80	16.93	16.42
Depreciation during the year	0.26	0.86	0.87	0.51
<b>Accumulated Depreciation - Closing Balance</b>	<b>18.91</b>	<b>18.66</b>	<b>17.80</b>	<b>16.93</b>
<b>Net Block</b>	<b>1.26</b>	<b>1.15</b>	<b>1.16</b>	<b>1.50</b>
<b>Land</b>				
Gross Block - Opening Balance	1,099.50	1,099.50	49.50	49.50
Addition/Sale during the year	-	-	1,050.00	-
<b>Gross Block - Closing Balance</b>	<b>1,099.50</b>	<b>1,099.50</b>	<b>1,099.50</b>	<b>49.50</b>
Accumulated Depreciation - Opening Balance	-	-	-	-
Depreciation during the year	-	-	-	-
<b>Accumulated Depreciation - Closing Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Block</b>	<b>1,099.50</b>	<b>1,099.50</b>	<b>1,099.50</b>	<b>49.50</b>

<b>Building</b>				
Gross Block - Opening Balance	794.79	779.20	733.62	708.94
Addition/Sale during the year	-	15.59	45.58	24.67
<b>Gross Block - Closing Balance</b>	<b>794.79</b>	<b>794.79</b>	<b>779.20</b>	<b>733.62</b>
Accumulated Depreciation - Opening Balance	499.85	471.22	441.51	414.84
Depreciation during the year	15.63	28.63	29.71	26.67
<b>Accumulated Depreciation - Closing Balance</b>	<b>515.48</b>	<b>499.85</b>	<b>471.22</b>	<b>441.51</b>
<b>Net Block</b>	<b>279.31</b>	<b>294.94</b>	<b>307.98</b>	<b>292.11</b>
<b>Office Equipments</b>				
Gross Block - Opening Balance	32.51	30.79	29.36	26.49
Addition/Sale during the year	1.18	1.72	1.43	2.86
<b>Gross Block - Closing Balance</b>	<b>33.68</b>	<b>32.51</b>	<b>30.79</b>	<b>29.36</b>
Accumulated Depreciation - Opening Balance	28.51	26.56	24.76	23.59
Depreciation during the year	0.88	1.95	1.80	1.17
<b>Accumulated Depreciation - Closing Balance</b>	<b>29.39</b>	<b>28.51</b>	<b>26.56</b>	<b>24.76</b>
<b>Net Block</b>	<b>4.29</b>	<b>4.00</b>	<b>4.23</b>	<b>4.60</b>
<b>Plant &amp; Machinery</b>				
Gross Block - Opening Balance	3,182.85	2,922.66	2,834.47	2,766.19
Addition/Sale during the year	0.73	260.19	88.19	68.29
<b>Gross Block - Closing Balance</b>	<b>3,183.58</b>	<b>3,182.85</b>	<b>2,922.66</b>	<b>2,834.47</b>
Accumulated Depreciation - Opening Balance	2,198.57	1,967.81	1,748.68	1,506.75
Depreciation during the year	159.97	230.76	219.13	241.93
<b>Accumulated Depreciation - Closing Balance</b>	<b>2,358.54</b>	<b>2,198.57</b>	<b>1,967.81</b>	<b>1,748.68</b>

<b>Net Block</b>	<b>825.05</b>	<b>984.28</b>	<b>954.85</b>	<b>1,085.79</b>
<b>Electrical Installation</b>				
Gross Block - Opening Balance	154.46	150.27	115.27	115.27
Addition/Sale during the year	-	4.19	35.00	-
<b>Gross Block - Closing Balance</b>	<b>154.46</b>	<b>154.46</b>	<b>150.27</b>	<b>115.27</b>
Accumulated Depreciation - Opening Balance	125.88	118.57	106.89	103.04
Depreciation during the year	4.50	7.31	11.68	3.85
<b>Accumulated Depreciation - Closing Balance</b>	<b>130.38</b>	<b>125.88</b>	<b>118.57</b>	<b>106.89</b>
<b>Net Block</b>	<b>24.08</b>	<b>28.58</b>	<b>31.70</b>	<b>8.38</b>
<b>Motor Vehicle</b>				
Gross Block - Opening Balance	65.75	65.75	65.75	65.75
Addition/Sale during the year	-	-	-	-
<b>Gross Block - Closing Balance</b>	<b>65.75</b>	<b>65.75</b>	<b>65.75</b>	<b>65.75</b>
Accumulated Depreciation - Opening Balance	62.07	60.68	58.76	56.10
Depreciation during the year	0.39	1.39	1.92	2.66
<b>Accumulated Depreciation - Closing Balance</b>	<b>62.46</b>	<b>62.07</b>	<b>60.68</b>	<b>58.76</b>
<b>Net Block</b>	<b>3.29</b>	<b>3.68</b>	<b>5.07</b>	<b>6.99</b>
<b>Laboratory Equipment</b>				
Gross Block - Opening Balance	28.63	28.63	28.63	28.63
Addition/Sale during the year	(0.73)	-	-	-
<b>Gross Block - Closing Balance</b>	<b>27.90</b>	<b>28.63</b>	<b>28.63</b>	<b>28.63</b>
Accumulated Depreciation - Opening Balance	26.49	26.49	26.15	25.78
Depreciation during the year	-	-	0.34	0.36

<b>Accumulated Depreciation - Closing Balance</b>	<b>26.49</b>	<b>26.49</b>	<b>26.49</b>	<b>26.15</b>
<b>Net Block</b>	<b>1.42</b>	<b>2.15</b>	<b>2.15</b>	<b>2.49</b>
Gross Block - Opening Balance	5,399.71	5,117.10	3,896.37	3,794.13
Addition/Sale during the year	1.54	282.62	1,220.73	102.23
<b>Gross Block - Closing Balance</b>	<b>5,401.25</b>	<b>5,399.71</b>	<b>5,117.10</b>	<b>3,896.37</b>
Accumulated Depreciation - Opening Balance	2,977.87	2,706.01	2,438.99	2,161.01
Depreciation during the year	182.20	271.86	267.02	277.98
<b>Accumulated Depreciation - Closing Balance</b>	<b>3,160.07</b>	<b>2,977.87</b>	<b>2,706.01</b>	<b>2,438.99</b>
<b>Total Net Block of tangible Assets</b>	<b>2,241.18</b>	<b>2,421.84</b>	<b>2,411.08</b>	<b>1,457.38</b>
<b>(B) Intangible Assets</b>				
<b>Computer Software</b>				
Gross Block - Opening Balance	217.14	190.59	190.32	190.32
Addition/Sale during the year	-	26.55	0.27	-
<b>Gross Block - Closing Balance</b>	<b>217.14</b>	<b>217.14</b>	<b>190.59</b>	<b>190.32</b>
Accumulated Depreciation - Opening Balance	117.25	92.85	62.84	18.60
Depreciation during the year	14.00	24.40	30.01	44.24
<b>Accumulated Depreciation - Closing Balance</b>	<b>131.25</b>	<b>117.25</b>	<b>92.85</b>	<b>62.84</b>
<b>Net Block</b>	<b>85.88</b>	<b>99.88</b>	<b>97.73</b>	<b>127.47</b>
<b>Total Net Block of Intangible Assets</b>	<b>85.88</b>	<b>99.88</b>	<b>97.73</b>	<b>127.47</b>
<b>(C) Work-in-Progress</b>				
Gross Block - Opening Balance	-	-	95.12	76.62
Addition/Sale during the year	42.95	-	(95.12)	18.50



<b>Gross Block - Closing Balance</b>	<b>42.95</b>	<b>-</b>	<b>-</b>	<b>95.12</b>
<b>Total</b>	<b>42.95</b>	<b>-</b>	<b>-</b>	<b>95.12</b>

**Annexure – I.12 Restated Statement of Long-Term Loans & Advances (Amount in Lakh)**

<b>Particulars</b>	<b>As at October 31<sup>st</sup>, 2023</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Capital advances	10.80	10.30	10.30	10.30
Security deposits	48.23	45.53	44.82	34.52
Other long-term advances	-	-	-	11.34
<b>Total</b>	<b>59.03</b>	<b>55.83</b>	<b>55.12</b>	<b>56.15</b>

**Annexure – I.13 Restated Statement of Current Investments (Amount in Lakh)**

<b>Particulars</b>	<b>As at October 31<sup>st</sup>, 2023</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Investment in Mutual fund	78.12	60.44	-	-
<b>Total</b>	<b>78.12</b>	<b>60.44</b>	<b>-</b>	<b>-</b>

**Annexure – I.14 Restated Statement of Inventories (Amount in Lakh)**

<b>Particulars</b>	<b>As at October 31<sup>st</sup>, 2023</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Inventories	1,742.76	1,712.03	1,075.09	873.23
<b>Total</b>	<b>1,742.76</b>	<b>1,712.03</b>	<b>1,075.09</b>	<b>873.23</b>

**Annexure – I.15 Restated Statement of Trade Receivables (Amount in Lakh)**

<b>Particulars</b>	<b>As at October 31<sup>st</sup>, 2023</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Secured & Considered Good	-	-	-	-
Unsecured & Considered Good	2,135.02	356.51	852.44	696.68
Doubtful	-	-	-	-
<b>Total</b>	<b>2,135.02</b>	<b>356.51</b>	<b>852.44</b>	<b>696.68</b>

**Ageing Schedule of Trade Receivable**

<b>Outstanding for following periods from due date of payment</b>						
<b>As at 31st Oct. 2023</b>						
<b>Particulars</b>	<b>Less than 6 Month</b>	<b>6 Months-1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	<b>Total</b>
(i) Undisputed Trade receivables – considered good	1,823.26		3.20	-	308.56	2,135.02
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

**Ageing Schedule of Trade Receivable**

**(Amount in Lakh)**

<b>Outstanding for following periods from due date of payment</b>						
<b>As at 31st March 2023</b>						
<b>Particulars</b>	<b>Less than 6 Month</b>	<b>6 Months-1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	<b>Total</b>
(i) Undisputed Trade receivables – considered good	2.39	-	3.20	-	350.92	356.51
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

**Ageing Schedule of Trade Receivable**

**(Amount in Lakh)**

<b>Outstanding for following periods from due date of payment</b>						
<b>As at 31st March 2022</b>						
<b>Particulars</b>	<b>Less than 6 Month</b>	<b>6 Months-1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	<b>Total</b>

(i) Undisputed Trade receivables – considered good	431.24	0.18	0.13	-	420.89	852.44
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

**Ageing Schedule of Trade Receivable**

**(Amount in Lakh)**

Outstanding for following periods from due date of payment						
As at 31st March 2021						
Particulars	Less than 6 Month	6 Months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	275.36	-	-	1.26	420.06	696.68
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

**Annexure – I.16 Restated Statement of Cash and Cash Equivalents**

**(Amount in Lakh)**

Particulars	As at October 31st, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Cash in hand	8.67	38.92	26.24	33.87
Balance With Bank (in Current Accounts)	32.76	1.04	1.56	17.13
Other bank balances	-	-	-	-
Balance in deposits with original maturity of more than 3 months but less than 12 months	1.63	1.13	1.10	0.10
<b>Total</b>	<b>43.06</b>	<b>41.09</b>	<b>28.90</b>	<b>51.10</b>

**Annexure – I.17 Restated Statement of Short Term Loans and Advances (Amount in Lakh)**

Particulars	As at October 31st, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Loans and Advances to others Unsecured, Considered Good</b>				
Advances to suppliers	353.74	274.51	263.45	221.18
Capital advances	10.80	10.30	10.30	10.30
Advances to employees	54.22	9.93	11.57	15.89
Balance with Government authorities	13.49	12.29	44.35	25.56
<b>Total</b>	<b>432.25</b>	<b>307.03</b>	<b>329.67</b>	<b>272.93</b>

**Annexure – I.18 Restated Statement of Other Current Assets (Amount in Lakh)**

Particulars	As at October 31st, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Prepaid Expenses	16.53	16.85	4.82	6.46
Imperest	15.49	22.00	17.75	59.23
Mat credit entitlement	350.20	237.29	133.48	52.85
Other current assets	8.28	9.35	0.16	0.91
Balance with Government authorities	13.49	12.29	44.35	25.56
<b>Total</b>	<b>403.99</b>	<b>297.78</b>	<b>200.57</b>	<b>145.00</b>

**Annexure –II.1 Restated Statement of Revenue from operations (Amount in Lakh)**

Particulars	For the period ended 31st Oct, 2023	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Sale of Products</b>				
Manufactured goods	6,993.36	10,482.12	8,460.07	8,173.94
<b>Total</b>	<b>6,993.36</b>	<b>10,482.12</b>	<b>8,460.07</b>	<b>8,173.94</b>

**Annexure –II.2 Restated Statement of Revenue from Other Income (Amount in Lakh)**

Particulars	For the period ended 31st Oct, 2023	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2021

Commission income	-	-	-	19.72
Interest income	0.04	0.62	0.58	4.03
Export incentives	1.18	6.09	28.26	23.21
Foreign exchange fluctuation	10.68	6.56	20.15	5.53
Other miscellaneous income	0.33	248.08	2.12	15.11
<b>Total</b>	<b>12.24</b>	<b>261.35</b>	<b>51.12</b>	<b>67.60</b>

**Annexure-II.3 Restated Statement of Cost of Materials Consumed (Amount in Lakh)**

Particulars	For the period ended 31st Oct, 2023	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Opening Stock	537.84	203.87	103.35	421.57
Add: Purchase during the Years	5,430.81	8,555.37	6,239.04	5,391.16
Less: Closing Stock	139.14	537.84	203.87	103.35
<b>Cost of Material Consumed</b>	<b>5,829.52</b>	<b>8,221.40</b>	<b>6,138.52</b>	<b>5,709.38</b>

Direct expenses	For the period ended 31st Oct, 2023	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Factory Salaries, wages, bonus and other allowances	257.07	501.49	352.08	363.35
Contribution to provident and other funds	8.82	15.06	14.55	10.93
Testing expenses	1.67	2.25	1.49	1.91
Factory Electricity Expenses	99.42	200.74	155.74	151.30
Manufacturing & freight expenses	47.76	353.21	328.65	210.92
<b>Direct Expenses</b>	<b>414.75</b>	<b>1,072.75</b>	<b>852.51</b>	<b>738.41</b>
Total	<b>6,244.27</b>	<b>9,294.15</b>	<b>6,991.03</b>	<b>6,447.80</b>

**Annexure –II.4 Restated Statement of Change in Inventory (Amount in Lakh)**

Particulars	For the period ended 31st Oct, 2023	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Stock at the end of the year (A)</b>				
Finished goods	605.99	507.88	239.63	189.08
Work-in-progress	997.63	666.31	631.59	580.80

	<b>1,603.62</b>	<b>1,174.19</b>	<b>871.22</b>	<b>769.88</b>
<b>Stock at the beginning of the year (B)</b>				
Finished goods	507.88	239.63	189.08	423.43
Work-in-progress	666.31	631.59	580.80	534.01
	<b>1,174.19</b>	<b>871.22</b>	<b>769.88</b>	<b>957.44</b>
<b>Total</b>	<b>(429.43)</b>	<b>(302.97)</b>	<b>(101.34)</b>	<b>187.55</b>

**Annexure –II.5 Restated Statement of Employees Benefit Expenses (Amount in Lakh)**

<b>Particulars</b>	<b>For the period ended 31<sup>st</sup> Oct, 2023</b>	<b>For the year ended 31<sup>st</sup> March, 2023</b>	<b>For the year ended 31<sup>st</sup> March, 2022</b>	<b>For the year ended 31<sup>st</sup> March, 2021</b>
Salaries, Wages & Bonus	71.72	148.90	119.29	120.73
Director Remuneration	15.80	19.20	25.20	22.80
Gratuity/ Leave encashment	0.59	1.21	8.63	5.20
Staff Welfare	14.88	72.19	41.91	42.29
<b>Total</b>	<b>103.00</b>	<b>241.50</b>	<b>195.03</b>	<b>191.02</b>

**Annexure –II.6 Restated Statement of Other Expenses (Amount in Lakh)**

<b>Particulars</b>	<b>For the period ended 31<sup>st</sup> Oct, 2023</b>	<b>For the year ended 31<sup>st</sup> March, 2023</b>	<b>For the year ended 31<sup>st</sup> March, 2022</b>	<b>For the year ended 31<sup>st</sup> March, 2021</b>
Audit remuneration	-	0.50	0.50	0.50
Advertisement expenses	0.42	1.01	0.31	0.53
Bank Charges	0.95	3.06	0.96	1.54
Business promotion expenses	1.82	27.73	20.98	12.52
Bad debts	-	-	-	53.77
Documentation expenses	-	0.36	1.16	1.17
Communication expenses	2.09	6.20	6.72	3.66
Commission Expenses	-	10.38	17.91	23.01
Research & development Expenditure	-	-	-	2.05
Discount	-	5.11	-	-
Donation expenses	0.32	1.82	0.01	0.08
Electricity expenses	2.69	6.45	6.68	8.99
Freight outward	13.40	53.37	52.76	69.19
Insurance expenses	8.28	11.15	10.99	6.09
Legal & professional expenses	2.20	61.79	75.87	26.73
Office expenses	3.60	12.30	8.69	5.33

Printing & stationery	0.80	2.67	1.81	1.88
Rates and taxes	0.83	18.18	16.39	18.65
Repair & maintenance				
-Building	-	3.69	0.13	36.66
-Others	12.93	25.02	12.39	0.53
Rental expenses	53.64	87.08	83.49	74.92
Travelling and conveyance expenses	2.50	50.54	8.95	16.14
Vehicle Running & Maintenance	6.28	18.12	5.82	3.14
Other miscellaneous expenses	0.88	1.53	8.75	7.50
<b>Total</b>	<b>113.62</b>	<b>408.06</b>	<b>341.26</b>	<b>374.57</b>

**Annexure –II.7 Restated Statement of Financial Charges (Amount in Lakh)**

Particulars	For the period ended 31st Oct, 2023	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest on Term Loan	101.54	183.73	305.11	409.53
<b>Total</b>	<b>101.54</b>	<b>183.73</b>	<b>305.11</b>	<b>409.53</b>

**Annexure –II.8 Restated Statement of Provision For Taxation (Amount in Lakh)**

Particulars	For the period ended 31st Oct, 2023	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Current Tax	112.90	103.81	80.63	51.55
Deferred tax charge/ (benefit)	193.54	164.98	125.60	(724.83)
Mat credit entitlement	(112.90)	(103.81)	(80.63)	(51.55)

**Other notes to restated financial statements**

**1) Non-adjustment Items:**

No Audit qualifications for the respective periods which require any corrective adjustment in these Restated Financial Statements of the Company have been pointed out during the restated period.

**2) Material Regroupings:**

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities, Profit & Loss and Cash flows wherever required by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the requirements of the SEBI Regulations

**3) Material Adjustments in Restated Profit & Loss Account:**
**(Amount in Lakh)**

Particulars	For the period ended 31st Oct, 2023	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Net profit after tax as per audited accounts but before adjustments for restated accounts:	472.86	530.12	553.29	291.45
Adjustment for change in unrealized foreign currency (gain)/loss	-	(3.74)	0.04	3.70
Adjustment in other income and expenses	-	70.10	(14.45)	24.99
Adjustment for exceptional items	-	(0.83)	-	-
Adjustment for Provision of Deferred Tax in respect of timing differences between taxable income and accounting Income	-	(138.72)	(181.41)	713.53
<b>Profit after Tax as per restated</b>	<b>472.86</b>	<b>456.93</b>	<b>357.47</b>	<b>1,033.67</b>

**Explanatory notes to the above restatements to profits made in the audited Standalone Financial Statements of the Company for the respective years:**

a) Adjustment for change in unrealised foreign currency (gain)/loss: The Company has not been recognised unrealised foreign currency gain in Statement of Profit and Loss as per requirement of Accounting Standard -11, now it has been disclosed in Statement of Profit and Loss account and restated trade receivable.

b) Adjustment for change in other income and expenses: The Company has not been recognized certain income and expenses in Statement of Profit and Loss as per requirement of IGAAP, now it has been recognized in Statement of Profit and Loss account.

c) Adjustment for exceptional items: The Company has adjusted prior period expenses through reserve & Surplus which has now been disclosed through Statement of Profit and Loss to comply with the Generally Accepted Accounting Principles in India (Indian GAAP)

d) Adjustment for provision of Deferred Tax: The Company has not recognized deferred tax asset on carry forwarded business losses and unabsorbed depreciation, which has now been restated and impact has been given in the respective periods at income tax rates as applicable to the respective periods.

**Material Adjustments in Restated Assets & liability Statement:**
**(Amount in Lakh)**

Particulars	For the period ended 31st Oct, 2023	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2021
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<b>Audited shareholder's Funds</b>	2,852.00	1,914.14	1,390.15	(1,479.53)
Adjustment for change in unrealized foreign currency (gain)/loss	-	(3.74)	0.04	3.70
Adjustment in other income and expenses	-	70.11	(14.45)	24.99
Adjustment for exceptional items	-	(0.83)	-	-
Other adjustment	-	6.12	19.19	(49.09)
Adjustment for provision of Income Tax & Deferred Tax	-	(138.72)	(181.40)	713.55
Opening Balances	449.46	516.52	693.14	-
<b>Shareholder's Funds as per restated financials</b>	<b>3,301.46</b>	<b>2,363.60</b>	<b>1,906.67</b>	<b>(786.39)</b>

#### 4) Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2nd October 2006, certain disclosures are required to be made relating to Micro and Small Enterprises.

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of amounts payable to such enterprises as at October 31, 2023 has been made based on the information available with the Company. The information has been determined to the extent such parties have been identified on the basis of information available with the Company. Auditors have placed reliance on such information provided by the Management.

<b>Particulars</b>	<b>For the period ended 31st Oct, 2023</b>	<b>For the year ended 31st March, 2023</b>	<b>For the year ended 31st March, 2022</b>	<b>For the year ended 31st March, 2021</b>
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	770.62	-	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-	-	-
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along	-	-	-	-

with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year.				
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-	-	-
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-	-	-
Interest accrued and remaining unpaid as at the end of year.	-	-	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-	-	-

5) Other figures of the previous years have been regrouped/reclassified and rearranged wherever necessary.

6) As required under SEBI (ICDR) Regulations, the Statement of Assets and Liabilities has been prepared after deducting the balance outstanding on revaluation reserve account from both fixed assets and reserves and the net worth arrived at after such deductions.

7) **Expenditure/Earnings in Foreign currency (on accrual basis).**

**(Amount in Lakh)**

<b>Particulars</b>	<b>For the period ended</b>	<b>For the year ended</b>	<b>For the year ended</b>	<b>For the year ended</b>
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	31st Oct, 2023	31st March, 2023	31st March, 2022	31st March, 2021
Expenditure in Foreign Currency	-	10.38	17.91	10.92
Earning in Foreign Currency	842.82	77.82	1,248.33	674.77

#### 8) Trade Receivables, Trade Payables, Borrowings, Loans & Advances and Deposits

Balances of Trade Receivables, Trade Payables, Borrowings, Loans & Advances and Deposits are subject to confirmation and reconciliation.

#### Employee benefits plans

##### 9) A. Defined contribution plans:

The Company makes Provident fund and Employee State Insurance Scheme contribution which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to the fund. The contribution payable to these plans by the Company are at rates specified in the rules of the schemes. Employers' contribution to Provident Fund and Employee's State Insurance Scheme recognised as expenses in the Statement of Profit and Loss for the year are as under:

Particulars	For the period ended 31st Oct, 2023	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Contribution to provident fund and other funds	8.82	15.06	13.75	10.93

##### B. Defined benefit plans:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

##### i) Amount recognised in the statement of profit and loss is as under:

#### Gratuity Benefits

Particulars	For the period ended 31st Oct, 2023	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Current service cost	3.75	6.46	7.01	6.56

Past service cost including curtailment gains/losses	-	-	-	-
Interest cost	2.59	4.23	3.39	3.07
Actuarial (gain)/loss, net	(6.40)	(9.04)	(1.73)	(4.91)
Amount recognized during the year	(0.04)	1.65	8.67	4.72

ii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

**Gratuity Benefits**

Particulars	For the period ended 31st Oct, 2023	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Present value of defined benefit obligation as at the start of the year</b>	60.21	58.56	49.89	45.16
Current service cost	3.76	6.46	7.02	6.56
Past service cost	-	-	-	-
Interest cost	2.59	4.23	3.39	3.07
Actuarial (gain)/loss on obligation	(6.40)	(9.04)	(1.73)	(4.91)
Benefits paid	-	-	-	-
<b>Present value of defined benefit obligation as at the end of the year</b>	60.16	60.21	58.57	49.88
<b>Current position of obligation as at the end of the year</b>	12.83	12.45	10.92	6.08
<b>Non-current position of obligation as at the end of the year</b>	47.34	47.76	47.64	43.81

iii) **Economic assumptions:**

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches

that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	As at 31st Oct, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Discount rate	7.48	7.38	7.22	6.80
Salary growth rate	7.00	7.00	7.00	7.00

**iv) Demographic assumptions:**

Particulars	As at 31st Oct, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Retirement age	58	58	58	58
Mortality table	IALM (2012 - 14)	IALM (2012 - 14)	IALM (2012 - 14)	IALM (2012 - 14)
Withdrawal rates	10%	10%	10%	10%

**v) Sensitivity analysis for defined benefit obligation**

Particulars	As at 31st Oct, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Impact of the change in discount rate</b>				
Present value of obligation at the end of the year	4.56	60.21	58.56	49.89
- Impact due to increase of 0.50 %	(0.13)	(1.36)	(1.42)	(1.29)
- Impact due to decrease of 0.50 %	0.13	1.43	1.50	1.36
<b>Impact of the change in salary increase</b>	-	-	-	-
Present value of obligation at the end of the year	4.56	60.21	58.56	49.89
- Impact due to increase of 0.50 %	0.13	1.43	1.49	1.35
- Impact due to decrease of 0.50 %	(0.13)	(1.37)	(1.43)	(1.29)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

**Notes:**

(1) The above figures have been extracted from the actuarial valuation report issued by M/s Charan Gupta Consultants Pvt. Ltd. vide certificate reference number CGCPL/23408/893/33/G/206, CGCPL/23356/893/33/G/206, CGCPL/23406/893/33/G/206, CGCPL/23405/893/33/G/206 dated 16th December 2023.

**i) Amount recognised in the statement of profit and loss is as under:**

**Leave Encashment Benefits**

Particulars	As at 31st Oct, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Current service cost	0.49	0.65	0.78	0.84
Past service cost including curtailment gains/losses	-	-	-	-
Interest cost	0.17	0.32	0.30	0.27
Actuarial (gain)/loss, net	(0.02)	(1.40)	(1.12)	(0.63)
Amount recognized during the year	0.64	-0.44	-0.05	0.48

**ii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:**

**Leave Encashment Benefits**

Particulars	As at 31st Oct, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Present value of defined benefit obligation as at the start of the year</b>	3.88	4.35	4.41	3.93
Current service cost	0.49	0.65	0.78	0.84
Past service cost	0.00	0.00		0.00
Interest cost	0.17	0.32	0.30	0.27

Actuarial (gain)/loss on obligation	(0.02)	(1.40)	(1.12)	(0.63)
Benefits paid	-	-	-	-
<b>Present value of defined benefit obligation as at the end of the year</b>	3.92	3.92	4.37	4.41
<b>Current position of obligation as at the end of the year</b>	1.21	1.20	1.40	1.11
<b>Non-current position of obligation as at the end of the year</b>	3.35	2.72	2.96	3.30

### iii) Economic assumptions:

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	As at 31st Oct, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Discount rate	7.48	7.38	7.22	6.80
Salary growth rate	7.00	7.00	7.00	7.00

### iv) Demographic assumptions:

Particulars	As at 31st Oct, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Retirement age	58	58	58	58
Mortality table	IALM (2012 - 14)	IALM (2012 - 14)	IALM (2012 - 14)	IALM (2012 - 14)
Withdrawal rates	10%	10%	10%	10%

### v) Sensitivity analysis for defined benefit obligation

Particulars	As at 31st Oct, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Impact of the change in discount rate</b>				

Present value of obligation at the end of the year	4.56	3.92	4.37	4.41
- Impact due to increase of 0.50 %	(0.13)	(0.10)	(0.11)	(0.12)
- Impact due to decrease of 0.50 %	0.13	0.11	0.12	0.13
<b>Impact of the change in salary increase</b>				
Present value of obligation at the end of the year	4.56	3.92	4.37	4.41
- Impact due to increase of 0.50 %	0.13	0.11	0.12	0.13
- Impact due to decrease of 0.50 %	(0.13)	(0.10)	(0.11)	(0.12)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

**Notes:**

(1) The above figures have been extracted from the actuarial valuation report issued by M/s Charan Gupta Consultants Pvt. Ltd. vide certificate reference number CGCPL/23408/893/33/L/206, CGCPL/23356/893/33/L/206, CGCPL/23406/893/33/L/206, CGCPL/23405/893/33/L/206 dated 16th December 2023.

**10 Re-grouping/re-classification of amounts**

The figures have been grouped and classified wherever they were necessary and have been rounded off to the nearest rupee.

**11 Examination of Books of Accounts & Contingent Liability**

The list of books of accounts maintained is based on information provided by the assessee and is not exhaustive. The information in audit report is based on our examination of books of accounts presented to us at the time of audit and as per the information and explanation provided by the assessed at the time of audit.



## 12 Director Personal Expenses

There are no director personal expenses debited to the profit and loss account. However, personal expenditure if included in expenses like telephone, vehicle expenses etc. are not identifiable or separable.

## 13 Revenue from sale of services

During the financial year 2022-23, there is income recognised on closure of loan outstanding of ACRE. This one-time income is shown net of loan processing fee of Aditya Birla Finance Ltd, Export incentives booked earlier as income.

## 14 Deferred Tax Asset/Liability: [AS-22]

The Company has created Deferred Tax Asset/Liability as required by Accounting Standard (AS)-22.

## 15 Statutory dues payable

a) The Company has not paid liability of PF/ESI from May 2023. Amount of Rs. 13.50 Lakhs payable as on 31-10-2023.

b) Company's GST Input/Liability reported in books of account for the FY 2020-21, 2021-22, 2022-23 and up to 31st Oct. 2023 is not reconciled with GST portal Input and Liability Balances. Company's is in process of reconciling the same.

## Statement of Accounting & Other Ratios, As Restated

ANNEXURE –VI

(Amount in Lakh)

Particulars	As at 31st Oct, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Net Profit as Restated	472.86	456.93	357.47	1,033.67
Add: Depreciation	196.20	296.26	297.03	322.22
Add: Interest on Loan	101.54	183.73	305.11	409.53
Add: Income Tax	203.54	164.98	125.60	(724.83)
Add: Exceptional item	-	0.83	-	-
<b>EBITDA</b>	974.14	1,102.73	1,085.21	1,040.60
<b>EBITDA Margin (%)</b>	13.91%	10.26%	12.75%	12.63%
Net Worth as Restated	3,301.46	2,363.60	1,906.67	(786.39)
Return on Net worth (%) as Restated	14.32%	19.33%	18.75%	-131.45%
Equity Share at the end of year (in Nos.)	1,86,88,819	17,74,942	17,74,942	4,89,350

Weighted No. of Equity Shares	1,78,22,440	1,77,49,420	50,46,204	48,93,500
<b>Basic &amp; Diluted Earnings per Equity Share as Restated</b>	<b>2.65</b>	<b>2.57</b>	<b>7.08</b>	<b>21.12</b>
<b>Net Asset Value per Equity share as Restated (PreSplit)</b>	<b>176.65</b>	<b>133.17</b>	<b>107.42</b>	<b>(160.70)</b>
<b>Net Asset Value per Equity share as Restated (Post split)</b>	<b>18.52</b>	<b>13.32</b>	<b>37.78</b>	<b>(16.07)</b>
Nominal Value per Equity share (Rs.)	10.00	100.00	100.00	100.00
Current Assets (A)	4,821.71	2,762.59	2,442.32	2,013.39
Current Liabilities (B)	2,902.59	2,027.50	2,158.19	2,192.37
<b>Current Ratio (A/B)</b>	<b>1.66</b>	<b>1.36</b>	<b>1.13</b>	<b>0.92</b>
Debt	1,551.29	1,365.22	1,804.86	3,292.98
Equity	3,301.46	2,363.60	1,906.67	(786.39)
<b>Debt Equity Ratio (In Times)</b>	<b>0.47</b>	<b>0.58</b>	<b>0.95</b>	<b>(4.19)</b>
EBIT	777.93	806.47	788.18	718.38
Interest+Principal	154.10	254.72	617.05	448.24
<b>Debt Service Coverage Ratio</b>	<b>5.05</b>	<b>3.17</b>	<b>1.28</b>	<b>1.60</b>
PAT	472.86	456.93	357.47	1,033.67
Average Shareholder's Fund	2,832.53	2,135.14	560.14	(1,278.68)
Return On Equity (%)	16.69%	21.40%	63.82%	-80.84%

Opening Inventory	1,712.03	1,075.09	873.23	1,379.00
Closing Inventory	1,742.76	1,712.03	1,075.09	873.23
Average Inventory	1,727.39	1,393.56	974.16	1,126.11
Cost of Goods Sold (COGS)	5,814.84	8,991.18	6,889.69	6,635.35
Inventory Turnover Ratio (In Times)	3.37	6.45	7.07	61.95
Opening Trade Receivable	356.51	852.44	696.68	494.19
Closing Trade Receivable	2,135.02	356.51	852.44	696.68
Avg Trade Receivable	1,245.76	604.47	774.56	595.44
Revenue From Operation	6,993.36	10,482.12	8,460.07	8,173.94
Trade Receivables turnover ratio (In times)	65.02	21.05	33.42	26.59
Purchase	5,430.81	8,555.37	6,239.04	5,391.16
Opening Trade Payable	1,623.04	1,487.48	1,619.44	1,915.60
Closing Trade Payable	2,071.01	1,623.04	1,487.48	1,619.44
Average Trade Payable	1,847.02	1,555.26	1,553.46	1,767.52
Trade Payable Ratio (In Times)	124.14	66.35	90.88	119.67
Revenue From Operation	6,993.36	10,482.12	8,460.07	8,173.94
Average Working Capital	1,327.10	509.61	52.57	(465.75)
Net Capital Turnover Ratio (In Times)	69.26	17.75	2.27	(20.80)
Revenue From Operation	6,993.36	10,482.12	8,460.07	8,173.94
PAT	472.86	456.93	357.47	1,033.67
N P Ration (In %)	6.76%	4.36%	4.23%	12.65%

EBIT	777.93	806.47	788.18	718.38
Opening Capital Employed	3,734.34	3,434.74	2,269.43	1,263.74
Closing Capital Employed	4,852.75	3,734.34	3,434.74	2,269.43
Average Capital Employed	4,293.55	3,584.54	2,852.09	1,766.59
Restated PAT as per P&L Account	472.86	456.93	357.47	1,033.67
Return on Capital Employed (In %)	11.01%	12.75%	12.53%	58.51%
Net PAT	472.86	456.93	357.47	1,033.67
Opening Assets	5,761.85	5,592.94	4,461.80	4,198.87
Closing Assets	7,478.42	5,761.85	5,592.94	4,461.80
Average Assets	6,620.13	5,677.39	5,027.37	4,330.33
Return on Investments (In %)	7.14%	8.05%	7.11%	23.87%

Note: -

EBITDA Margin = EBITDA/Total Revenues

Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year

Return on Net worth (%) = Restated Profit after taxation / Net worth x 100

Net asset value/Book value per share (₹) = Net worth / No. of equity shares

The Company does not have any revaluation reserves or extra-ordinary items.

#### ANNEXURE –VII Statement of Capitalization, As Restated

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Pre-Issue 31 October 2023	Post Issue
Debt:		
Short Term Debt	374.54	-
Long Term Debt	1,176.75	-
Total Debt	1,551.29	-
Shareholders' Funds		

Equity Share Capital	1,868.88	-
Reserves and Surplus	1,432.58	-
Less: Misc. Expenditure	-	-
Total Shareholders' Funds	3,301.46	-
Long Term Debt/ Shareholders' Funds	0.36	-
Total Debt / Shareholders Fund	0.47	-

**ANNEXURE –VIII Statement of Tax Shelter, As Restated (Amount in Lakh)**

Particulars	As at 31st Oct, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Profit Before Tax as per books of accounts (A)	676.39	621.91	483.07	308.85
-- Normal Tax rate	26.00%	26.00%	26.00%	26.00%
-- Minimum Alternative Tax rate	16.69%	16.69%	16.69%	16.69%
Permanent differences				
Expenses Disallowances	0.20	11.85	0.01	12.62
Other Adjustments	-	0.83	-	-
Total (B)	0.20	12.68	0.01	12.62
Timing Differences				
Depreciation as per Books of Accounts	196.20	296.26	297.03	322.22
Depreciation as per Income Tax	125.35	233.38	229.65	243.05
Difference between tax depreciation and book depreciation	70.86	62.88	67.39	79.17
Other adjustments	0.59	1.21	8.63	5
Total (C)	71.45	64.09	76.01	84.37

Net Adjustments (D = B+C)	71.65	76.77	76.02	96.99
Total Income (E = A+D)	748.04	698.67	559.09	405.84
Brought forward losses set off /Unabsorbed Depreciation (F)	(748.04)	(698.67)	(559.09)	(405.84)
Taxable Income/ (Loss) for the year/period (E+F)	-	-	-	-
Tax Payable for the year/period	-	-	-	-
Tax payable as per MAT	112.90	103.81	80.63	51.55
Tax expense recognized	-	-	-	-
Tax payable as per normal rates or MAT (whichever is higher)	MAT	MAT	MAT	MAT

#### ANNEXURE –IX Statement of Related Parties & Transactions

The Company has entered into following related party transactions for the periods covered under audit. Such parties and transactions are identified as per accounting standard 18 issued by Institute of Chartered Accountants of India.

Name of the key managerial personnel/Entity	Relationship
Archit Gupta (till 06-09-2023)	Director
Arpit Gupta (till 06-09-2023)	Director
Sarina Gupta (w.e.f. 09.09.2023)	Whole Time Director
Rishita Gupta (w.e.f. 09.01.2023)	Director
Abdul Quadir (w.e.f. 30.09.2023)	Director
Roni Soni (w.e.f. 20.07.2023)	Director
Sandeep Bansal (W.e.f. 09.09.2023)	Director
Sarvar Alam (w.e.f. 03.10.2022)	Chief Financial Officer
Rimple Sarin (w.e.f. 03.10.2022)	Company Secretary
Anil Gupta	Relative of KMP
Achla Gupta	Relative of KMP
Aromatic Rasayan Pvt. Ltd.	Entity under common control of KMP

**Transactions with Related Parties:**

**(Amount in Lakh)**

Particulars	As at 31st Oct, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Remuneration to				
Anil Gupta	-	7.65	8.40	8.40
Archit Gupta	5.00	-	8.40	7.20
Arpit Gupta	5.00	10.20	8.40	7.20
Rishita Gupta	2.00	1.35	-	-
Sarina Gupta	2.00	-	-	-
Nitesh Bansal	0.40	-	-	-
Abdul Quadir	0.40	-	-	-
Sandeep Bansal	1.00	-	-	-
Salary paid				
Archit Gupta	2.00	-	-	-
Arpit Gupta	2.00	-	-	-
Rishita Gupta	-	4.05	4.80	4.80
Achala Gupta	-	6.00	4.80	4.80
Sarina Gupta	-	5.40	4.80	4.80
Anil Gupta	-	2.55	-	
Sale of Goods to				
Aromatic Rasayan Pvt Ltd	4,268.30	8,436.61	6,636.76	4,087.44
Purchase of goods				
Aromatic Rasayan Pvt Ltd	4,263.08	6,898.36	5,952.34	2,425.53
Rent Paid				
Aromatic Rasayan Pvt Ltd	-	-	-	4.02

**Balance outstanding at year end**
**(Amount in Lakh)**

Particulars	As at 31st Oct, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Unsecured loan				
Anil Gupta	-	20.68	66.71	560.02
Archit Gupta	-	-	2.10	164.52
Arpit Gupta	-	(1.16)	1.04	174.96
Achla Gupta	8.02	8.02	4.69	225.53
Anil Gupta HUF	-	-	-	99.06
Ambey Capital Pvt Ltd	-	-	-	14.37
Rishita Gupta	-	4.84	4.55	25.02
Sarina Gupta	-	4.69	63.15	36.48
Payable to				
Aromatic Rasayan Pvt Ltd	737.51	1,115.47	860.96	886.32

**ANNEXURE –X Statement of Dividends**

No Dividend Paid till Date

**ANNEXURE –XI Changes in the Significant Accounting Policies**

There have been no changes in the accounting policies of the company for the period covered under audit.

**ANNEXURE –XII Contingent Liabilities:**
**(Amount in Lakh)**

Particulars	As at 31st Oct, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
a. Estimated amount of contracts remaining to be executed and not provided for	-	-	-	-
b. Claims against the Company not acknowledged as debt	-	-	-	-
c. Bank Guarantees	-	-	-	-



d. Outstanding Tax Demand with Respect to any Revenue Authorities	660.78	-	-	-
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## FINANCIAL INDEBTEDNESS

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of the issuer Company, **AMBEY LABORATORIES LIMITED** and further explanations and information provided by the management of the Companies, which we believe to be true and correct to the best of our information and belief, the financial indebtedness of the company as at 31<sup>st</sup> October 2023 are as mentioned below:

(All amounts in ₹ lacs, unless otherwise stated)

Nature of Borrowing	Outstanding as on 31/10/2023
Secured Loan (A)	1,384.63
Unsecured Loan (B)	166.66
<b>Total</b>	<b>1,551.29</b>

### A. Secured Loans

(All amounts in ₹ lacs, unless otherwise stated)

Name of Lender	Purpose	Sanctioned Amount (Rs.)	Outstanding As on 31/10/2023
Aditya Birla Finance Ltd	Towards takeover of existing facilities from ACRE	1,150.00	1,116.95
Aditya Birla Finance Ltd	Working Capital	300.00	267.68
<b>Total</b>		<b>1,450.00</b>	<b>1,384.63</b>

#### 1. Aditya Birla Finance Ltd:

<b>Facility</b>	Towards takeover of existing facilities from ACRE
<b>Overall Loan Limit</b>	1,150.00
<b>Date of Sanction</b>	14-07-2023
<b>Interest</b>	11.50%
<b>Repayment</b>	On Installment
<b>Primary Security</b>	First charge on property (Plot no. SPI-5, RIICO Industrial Area, Sotanala, Rajasthan.  Exclusive charge on Plant and machinery of the company
<b>Collateral Security:</b>	Personal/Corporate Guarantee
<b>Personal Guarantee</b>	Arpit Gupta, Rishita Gupta, Sarina Gupta, Anil Gupta, Archit Gupta

#### 2. Aditya Birla Finance Ltd:

<b>Facility</b>	Working Capital
<b>Overall Loan Limit</b>	300.00
<b>Date of Sanction</b>	21-06-2023
<b>Interest</b>	11.50%
<b>Moratorium Period</b>	N/A
<b>Tenor</b>	A maximum period of 84 Months from the date of disbursement or expiry date whichever is earlier.
<b>Repayment</b>	On Demand
<b>Primary Security</b>	Current Assets
<b>Collateral Security:</b>	First charge on property (Plot no. SPI-5, RIICO Industrial Area, Sotanala, Rajasthan.  Exclusive charge on Plant and machinery of the company
<b>Personal Guarantee</b>	Arpit Gupta, Rishita Gupta, Sarina Gupta, Anil Gupta, Archit Gupta

**B. Unsecured Loans**

(All amounts in ₹ lacs, unless otherwise stated)

<b>Name of Lender</b>	<b>Purpose</b>	<b>Date of Sanctioned</b>	<b>Repayment Terms</b>	<b>Sanctioned Amount</b>	<b>Outstanding As on 31/10/2023</b>
Loans from Directors and relatives	Business	NA	On Demand	NA	8.02
Other long-term Loan from Corporate	Business	NA	On Demand	NA	91.50
OXYZO Financial Services Pvt. Ltd.	Working Capital	16-09-2020	On Installment	100.00	34.45
OXYZO Financial Services Pvt. Ltd.	Working Capital	16-09-2020	On Installment	95.00	32.69

**For Kapish Jain & Associates,**  
Chartered Accountants,  
Firm Registration No: 022743N

Sd/-

**CA Kapish Jain**  
Partner  
Membership No: 514162  
UDIN:24514162BKBHTP6882

Place: New Delhi  
Date: 30 January 2024

## **OTHER FINANCIAL INFORMATION**

For details on other financial information please refer to Annexure-VI “Statement of Accounting & Other Ratios” as restated on page no. 216 under the Chapter titled “Financial Statements as Restated” beginning on page 197 of this Draft Prospectus.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with our restated financial statements attached in the chapter titled “Financial Information of the Company” beginning on page 197. You should also read the section titled “Risk Factors” on page 30 and the section titled “Forward Looking Statements” on page 19 of this Draft Red Herring Prospectus, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated financial Statements. Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditor dated October 31, 2023 which is included in this Draft Red Herring Prospectus under “Financial Statements”. The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.*

### **Business Overview**

Our Company was originally incorporated as a Private Limited Company namely “Ambey Laboratories Private Limited” under the Companies Act, 1956 vide certificate of incorporation dated March 20<sup>th</sup>, 1985 issued by Registrar of Companies, NCT of Delhi bearing registration no. 020490. Further, our Company was converted into a Public Limited Company in pursuance of a special resolution passed by the members of our Company at the Extra Ordinary General Meeting held on November 15<sup>th</sup>, 2014. A fresh Certificate of Incorporation consequent to conversion was issued on December 30<sup>th</sup>, 2014 by the Registrar of Companies, NCT of Delhi and consequently the name of our Company was changed from “Ambey Laboratories Private Limited” to “Ambey Laboratories Limited”. Presently, the Company’s Corporate Identification Number is U74899DL1985PLC020490.

Ambey Laboratories is engaged in the business of manufacturing of agrochemical products and home hygienic products. It’s been over four decades the company serving the agrochemical sector. Our Company is manufacturer and supplier of “2, 4-D base chemicals” with highest quality practice and compliant with Highest Environmental, Health, and Safety (EHS) in chemical industry. The company has Programmable Logic Controller (PLC) and Supervisory Control along with Quality Assurance Department which ensures testing through HPLC, GC, UV etc. at every stage of production at our manufacturing facility installed, integrated and operating at 5 Acres Facility in the region of Behror, Rajasthan, India for manufacturing of “2, 4-D base chemicals”.

Our manufacturing Facility located in Behror, Rajasthan, has been certified with ISO 9001:2015 from Quality Research Organization and ISO 14001:2015 from United Accreditation Foundation, a member of International Accreditation forum to maintain highest quality, environmental and safety practices. Our company has obtained certificate of compliance from RoHS Directive (2015/863/EC) European Parliament and commission decision (2005/618/EC) on the restriction of use of certain Hazardous Substance [Lead (Pb), Mercury (Hg), Cadmium (Cd), Hexavalent Chromium (Cr6+), Polybrominated Biphenyls (PBBs) and Polybrominated Diphenyl, Bis (2-Ethylhexyl) phthalate (DEHP), Benzyl butyl phthalate (BBP), Dibutyl phthalate (DBP), Diisobutyl phthalate (DIBP)] ethers (PBDEs) in Electrical and Electrical Equipments.

Due to backward integration of our products, our plant is ZLD (Zero Liquid Discharge) to ensure minimum emissions and waste generation. Along with the state-of-the-art Pilot Plans in our laboratory, we explore downstream products from our core intermediaries to meet and exceed customer expectations and operation ensures organized inflow state of the art manufacturing and supply sustainability to our valued customers.

Presently our company manufactures 2,4-D Acid 98% TC, 2,4-D Sodium 95% SP 2,4-D Amine 866 | 720 | 480g/l SL 2,4-D Ethyl Hexyl Ester 96% TC 2,4-D Ethyl Ester 96% TC Chlorpyriphos 97%TC / 20%EC / 50%EC Thiamethoxam 96%TC / 25% WG / 75%SG Pretilachlor 95%TC / 50%EC / 37%EW Metribuzin 97%TC / 70%WS Hexaconazole 92%TC / 5%SC / 5%EC / 10%EC and Metalaxyl 98%TC / 35%WS for our customer base which comprises of large corporates like Aromatic Rasayan Private Limited, JR Jindal Infraprojects Private Limited; SC Formulator Co. Limited.

The product - wise share of revenue is as under:

(Amount in Lakhs)

Product	For the period ended 31 <sup>st</sup> October, 2023	For the period ended 31 <sup>st</sup> March, 2023	For the period ended 31 <sup>st</sup> March, 2022	For the period ended 31 <sup>st</sup> March, 2021
2,4-D Acid	11.25	--	204.73	13.76
2,4-D Amine	1,307.72	4,222.71	4,112.58	3,576.85
2,4-D Ethyl Ester	820.31	1,416.48	728.40	973.71
2,4-D Sodium	1,168.62	1,634.71	2,675.02	1,858.10
Pretilachlor Technical	383.85	1,848.41	182.43	586.13
Lambda Cyhalothrine Tech	463.29	-	-	-
Clodinafop	1,432.42	-	-	-
Hexaconazole Tech	180.87	-	-	-
Technical (Clomazone)	123.73	-	-	-
Technical (Fipronil)	289.50	-	-	-
Thiamathon Tech	306.76	-	-	-
Black Phenyle	57.47	82.14	37.28	9.59
White Floor Cleaner	54.76	60.65	31.76	4.72
Toilet Cleaner	89.37	106.96	22.76	5.21
Surface Floor Cleaner	13.58	15.06	3.56	-
Power Cleaner	5.51	14.13	8.12	4.67
Glass Cleaner	9.01	15.68	0.23	0.69
Moth Repellent Balls (Naphthalene Balls)	10.10	27.97	3.51	7.19
Hand Wash	5.90	8.55	2.10	2.33
Bathroom Cleaner	8.83	5.63	1.87	-
Hand Sanitizer	1.13	3.47	19.48	-
Others	249.38	1,019.56	426.23	1,112.93
Total	6,993.36	10,482.12	8,460.07	8,173.94

#### Key Performance Indicators of our Company

(Amount in lakh, except EPS, % and ratios)

Particulars	Period ended October 31st, 2023	Financial Year ended March 31st, 2023	Financial Year ended March 31st, 2022	Financial Year ended March 31st, 2021
Revenue from operations <sup>(1)</sup>	6,993.36	10,482.12	8,460.07	8,173.94
Revenue CAGR (%) from F.Y. 2021-2023 <sup>(2)</sup>			13.24%	
EBITDA <sup>(3)</sup>	974.14	1,102.73	1,085.21	1,040.60
EBITDA (%) Margin <sup>(4)</sup>	13.93%	10.52%	12.83%	12.73%
EBITDA CAGR (%) from F.Y. 2021-2023 <sup>(5)</sup>			2.94%	
EBIT <sup>(6)</sup>	777.93	806.47	788.18	718.38
ROCE (%) <sup>(7)</sup>	11.01%	12.75%	12.53%	58.51%

Current ratio <sup>(8)</sup>	1.66	1.36	1.13	0.92
Operating cash flow <sup>(9)</sup>	(503.11)	944.10	560.72	274.32
PAT <sup>(10)</sup>	472.86	456.93	357.47	1033.67
PAT Margin <sup>(11)</sup>	6.76%	4.36%	4.23%	12.65%
Net Worth <sup>(12)</sup>	3,301.46	2,363.60	1,906.67	(786.39)
ROE/ RONW <sup>(13)</sup>	16.69%	21.40%	63.82%	(80.84%)
EPS <sup>(14)</sup>	2.65	2.57	7.08	21.12

**Notes:**

(1) Revenue from operations is the revenue generated from operations by our Company.

(2) Revenue CAGR: The three-year compound annual growth rate in Revenue.

$[(\text{Ending Value}/\text{Beginning Value})^{(1/N)}]-1$

(3) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

(4) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations

(5) EBITDA CAGR: The three-year compound annual growth rate in EBITDA.  $[(\text{Ending Value}/\text{Beginning Value})^{(1/N)}]-1$

(6) EBIT is Earnings before Finance Cost and taxes.

(7) ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long-term debt.

(8) Current Ratio: Current Asset over Current Liabilities

(9) Operating Cash Flow: Net cash inflow from operating activities

(10) PAT is mentioned as profit after tax for the period.

(11) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.

(12) Net Worth means the aggregate value of the paid-up share capital and reserves and surplus of the company.

(13) ROE: Return on Equity is calculated as PAT divided by average shareholders' equity

(14) EPS: Earning per share is calculated as PAT divide by Weighted No. of equity shares.

**Explanation for KPI metrics**

KPI	Explanation
Revenue from operation	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business.
Revenue CAGR %	Revenue CAGR informs the management of compounded annual growth rate i.e. Rate at which Company's revenue are growing on annual basis.
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
EBITDA CAGR %	EBITDA CAGR indicate our compounded growth of the business
ROCE %	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
Current Ratio	Current ratio indicates the company's ability to bear its short-term obligations
Operating Cash Flow	Operating cash flow shows whether the company is able to generate cash from day-to-day business
PAT	Profit after Tax is an indicator which determine the actual earning available to equity shareholders
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of the business.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
ROC/RONW	ROC/RONW (%) is an indicator which shows how much company is generating

	from its available shareholders' funds
EPS	Earning per shares is the company's earnings available of one share of the Company for the period

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For details in respect of “*Statement of Significant Accounting Policies*”, please refer *Restated Financial Statements* beginning on page 197 of this Draft Red Herring Prospectus.

### Factors Affecting our results of operations

- Any variation in schemes launched by Government of India to boost the steel industry would have an adverse impact on our results of operations and financial condition and cash flows;
- Our ability to compete effectively.
- Inability to identify and understand evolving industry trends, technological advancements, customer preferences and develop new products to meet our customers' demands could render our existing products
- obsolete technology may adversely affect our business;
- our inability to achieve desired results from the objects for which funds are raised
- negative cash flows in the future.
- failure to grow or expand within our industry.
- our ability to manage our working capital cycles and generate sufficient cash flow to satisfy any additional working capital requirements.
- our inability to maintain quality standards in our services.
- our inability to successfully implement strategy, growth and expansion plans.
- our ability to attract and retain qualified personnel;
- any adverse outcome in the legal proceedings in which we and our promoters are involved;
- conflict of Interest with affiliated companies, the promoter group & holding Company and other related parties;
- impact of recurrent outbreak of Covid 19 pandemic or any future pandemic;
- market fluctuations and industry dynamics beyond our control;
- Changes in the value of the Rupee and other currencies;
- The occurrence of natural disasters or calamities;

### Discussion on Result of Operations

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements for the stub period ended on October 31, 2023 and for the financial years ended on March 31 2023, 2022 and 2021.

(Rs. In Lakhs)

Particulars	For the period ended 31-Oct-23	% of Total Income	For the year ended 31-Mar-23	% of Total Income	For the year ended 31-Mar-22	% of Total Income	For the year ended 31-Mar-21	% of Total Income
<b>Income</b>								
I Revenue from Operations	6,993.36	99.82%	10,482.12	97.57%	8,460.07	99.40%	8,173.94	99.17%
II Other Income	12.24	0.18%	261.35	2.43%	51.12	0.60%	67.60	0.83%
<b>III Total</b>	<b>7,005.60</b>	<b>100%</b>	<b>10,743.47</b>	<b>100%</b>	<b>8,511.19</b>	<b>100%</b>	<b>8,241.54</b>	<b>100%</b>



<b>Income</b>								
<b>IV Expenditure</b>								
(a) Cost of Material Consumed	6,244.27	89.13%	9,294.15	86.50%	6,991.03	82.13%	6,447.80	78.23%
(b) Change in Inventories	(429.43)	(6.12)%	(302.97)	(2.82)%	(101.34)	(1.19)%	187.55	2.27%
(c) Employee Benefit Expenses	103.00	1.47%	241.50	2.24%	195.03	2.29%	191.02	2.31%
(d) Other Expenses	113.62	1.62%	408.06	3.79%	341.26	4%	374.57	4.54%
<b>V Total Expenses</b>	<b>6,031.46</b>	<b>86.09%</b>	<b>9,640.74</b>	<b>89.73%</b>	<b>7,425.98</b>	<b>87.24%</b>	<b>7,200.94</b>	<b>87.37%</b>
<b>VI. Profit Before Interest, Depreciation and Tax</b>	974.14	13.90%	1,102.73	10.26%	1,085.21	12.75%	1,040.60	12.62%
<b>VII. Depreciation and amortization expense</b>	196.20	2.80%	296.26	2.75%	297.03	3.48%	322.22	3.90%
<b>VIII Profit Before Interest and Tax (VI-VII)</b>	777.93	11.10%	806.47	7.5%	788.18	9.26%	718.38	8.71%
<b>IX Financial Charges</b>	101.54	1.44%	183.73	1.71%	305.11	3.58%	409.53	4.96%
<b>X Profit Before Exceptional and Extraordinary Items and Taxes (VIII-IX)</b>	676.39	9.65%	622.74	5.79%	483.07	5.67%	308.85	3.74%
<b>XI Exceptional Items - Prior period items</b>	-	-	0.83	0.007	-	-	-	-
<b>XII Profit Before Extraordinary Items and Taxes (X-XI)</b>	676.39	9.65%	621.91	5.78%	483.07	5.67%	308.85	3.74%
<b>XIII Extraordinary Items</b>	-	-	-	-	-	-	-	-

<b>XIV Profit Before Tax (XII-XIII)</b>	676.39	9.65%	621.91	5.78%	483.07	5.67%	308.85	3.74%
<b>XV Tax Expenses</b>								
Current tax	112.90	1.61%	103.81	0.96%	80.63	0.94%	51.55	0.62%
Current tax for earlier year	10.00	0.14%	-	-	-	-	-	-
Deferred tax charge(benefit)	193.54	2.76%	164.98	1.53%	125.60	1.47%	(724.83)	(8.79)%
MAT credit entitlement	(112.90)	(1.61)%	(103.81)	(0.96)%	(80.63)	(0.94)%	(51.55)	(0.62)%
<b>Total tax Expenses</b>	203.54	2.90%	164.98	1.53%	125.60	1.47%	(724.83)	(8.79)%
<b>Net Profit/(Loss) for the Year (XIV-XV)</b>	472.86	6.74%	456.93	4.25%	357.47	4.2%	1,033.67	12.54%

**Revenue from operations:**

Revenue from operations mainly consists of Sale of Products.

**Other Income:**

Other income primarily comprises of Commission income, Interest income, Export incentives, foreign exchange fluctuation, Other miscellaneous income.

**Total Expenses:**

Total expenses consist of Cost of Material Consumed, Change in Inventories, Employee Benefit Expenses, Other Expenses, Depreciation and amortization expense, Financial Charges.

**Employee benefits expense:**

Employee benefits expense primarily comprises of Salaries, Wages & Bonus, Director Remuneration, Gratuity Leave encashment, Staff Welfare.

**Other Expenses:**

Other Expenses consists of Expenses like: Audit remuneration ,Advertisement expenses, Bank Charges ,Business promotion expenses, Bad debts, Documentation expenses, Communication expenses, Commission Expenses, Research & development Expenditure, Discount, Donation expenses, Electricity expenses, Freight outward, Insurance expenses, Legal & professional expenses, Office expense, Printing & stationery, Rates and taxes, Repair & maintenance of Building and Others Rental expenses, Travelling and conveyance expenses, Vehicle Running & Maintenance and Other miscellaneous expenses.

**Finance Charges:**

Our Finance charges includes Interest on Term Loan.

## **PERIOD ENDED OCTOBER 31, 2023 COMPARED WITH THE FINANCIAL YEAR ENDED MARCH 31, 2023**

### **Total Income:**

Total income for the period ended October 31, 2023 stood at Rs. 7005.60 Lakhs whereas in Financial Year 2022-23 the same stood at Rs. 10,743.47 Lakhs representing an increase of 11.79%. The main reason of increase was incremental revenue from existing customers.

### **Revenue from Operations:**

During the period ended October 31, 2023 revenue from operations stood at Rs. 6,993.36 Lakhs whereas in Financial Year 2022-23 the same stood at Rs. 10,482.12 Lakhs representing an increase of 14.37%. The main reason of increase was addition of new business line.

### **Other Income:**

During the period ended October 31, 2023 the other income of our Company stood at to Rs. 12.24 Lakhs as against Rs. 261.35 lakhs in the Financial Year 2022-23 representing a decrease by 91.97%. This decrease was due to the fact that during the Financial Year 2022-23 the Company earned a typical income due to premature payment of loan. However, the same was not received during the period ended October 31, 2023.

### **Total Expenses**

The total expense for the period ended October 31, 2023 stood at Rs. 6,031.46 Lakhs whereas in Financial Year 2022-23 the same stood at Rs. 9,640.74 Lakhs representing an increase of 7.25%. Such increase was due to more raw material and consumables purchased due to increase in production.

### **Employee benefits expense:**

Our Company has incurred Rs. 103.00 Lakhs as Employee benefits expense during the period ended October 31, 2023 as compared to Rs. 241.50 Lakhs in the financial year 2022-23 representing a fall of 26.88%. The decrease was due to due to reduction of manpower based on economies of scale.

### **Financial Charges:**

Our Company has incurred Rs. 101.54 Lakhs as finance cost during the period ended October 31, 2023 as compared to Rs. 183.73 Lakhs in the financial year 2022-23. The decrease of 5.25% was due to change in working capital structure.

### **Other Expenses:**

Our Company has incurred Rs. 113.62 Lakhs during the period ended October 31, 2023 on other expenses as against Rs. 408.06 Lakhs during the financial year 2022-23. There was a fall of 52.27 % mainly due to better controls on general overhead expenses.

### **Restated Profit before tax:**

Net profit before tax for the period ended October 31, 2023 increased to Rs. 676.39 Lakhs as compared to

Rs. 621.91 Lakhs in the financial year 2022-23. The increase of 86.45% was majorly due to factors as mentioned above.

**Restated profit after tax:**

As a result of the foregoing factors, our profit after tax increase to Rs. 472.86 Lakhs in the period ended October 31, 2023 as compared to Rs. 456.93 lakhs in financial year 2022-23. Consequently, our PAT Margin expanded to 77.40% during this period.

**FINANCIAL YEAR 2023 COMPARED TO FINANCIAL YEAR 2022**

**Total Income:**

Total income for the financial year 2022-23 stood at Rs. 10,743.47 Lakhs whereas in Financial Year 2021-22 the same stood at Rs. 8511.19 Lakhs representing an increase of 26.227%. The main reason of increase was multiple new customer acquisition.

**Revenue from Operations:**

During the financial year 2022-23 the net revenue from operation of our Company increased to Rs. 10,482.12 Lakhs as against Rs. 8,460.07 Lakhs in the Financial Year 2021-22 representing an increase of 23.9%. The main reason of increase was due to increase in total turnover and other incomes.

**Other Income:**

During the financial year 2022-23 the other income of our Company increased to Rs. 261.35 Lakhs as against Rs. 51.12 lakhs in the Financial Year 2021-22 representing an increase of 411.24% which was due to application of new Cost control tools.

**Total Expenses**

The total expense for the financial year 2022-23 increased to Rs. 9,640.74 Lakhs from Rs. 7,425.98 lakhs in the Financial Year 2021-22 representing an increase of 29.82%. Such increase was due to more raw material and consumables purchased due to increase in production.

**Employee benefits expense:**

Our Company has incurred Rs. 241.50 Lakhs as Employee benefits expense during the financial year 2022-23 as compared to Rs.195.03Lakhs in the financial year 2021-22 representing an increase of 23.82%. The increase was due to increase in higher employee and labour cost due to increase in production.

**Financial Charges:**

Our Company has incurred Rs. 183.73 Lakhs as finance cost during the financial year 2022-23 as compared to Rs. 305.11 Lakhs in the financial year 2021-22. The decrease of 39.78% was due to change in working capital structure.

**Other Expenses:**

Our Company has incurred Rs. 408.06 Lakhs during the Financial Year 2022-23 on other expenses as against

Rs. 341.26 Lakhs during the financial year 2021-22. There was an increase of 19.57% mainly due to Audit remuneration, Advertisement expenses, Bank Charges, Business promotion expenses, Bad debts, Documentation expenses, Communication expenses, Commission Expenses, Research & development Expenditure, Discount, Donation expenses, Electricity expenses, Freight outward, Insurance expenses, Legal & professional expenses, Office expense, Printing & stationery, Rates and taxes, Repair & maintenance of Building and Others Rental expenses, Travelling and conveyance expenses, Vehicle Running & Maintenance and Other miscellaneous expenses.

**Restated Profit before tax:**

Net profit before tax for the financial year 2022-23 increased to Rs. 621.91 Lakhs as compared to Rs. 483.07 Lakhs in the financial year 2021-22. The increase of 28.74% was majorly due to factors as mentioned above.

**Restated profit after tax:**

As a result of the foregoing factors, our profit after tax increase to Rs. 456.93 Lakhs in financial year 2022-23 as compared to Rs. 357.47 lakhs in financial year 2021-22. Consequently, our PAT Margin expanded to 27.82% in financial year 2022-23.

**FINANCIAL YEAR 2022 COMPARED TO FINANCIAL YEAR 2021**

**Total Income:**

Total income for the financial year 2021-22 stood at Rs. 8,511.19 Lakhs whereas in Financial Year 2020-21 the same stood at Rs. 8,241.54 Lakhs representing an increase of 3.27 %.

**Revenue from Operations**

During the financial year 2021-22 the net revenue from operation of our Company increased to Rs. 8,460.07 Lakhs as against Rs. 8,173.94 Lakhs in the Financial Year 2020-21 representing an increase of 3.5%. The main reason of increase was due to increase in the total turnover and other incomes.

**Other Income:**

During the financial year 2021-22 the other income of our Company stood at Rs. 51.12 Lakhs as against 67.60 Lakhs in the Financial Year 2020-21 representing a decrease of 24.37%.

**Total Expenses**

The total expense for the financial year 2021-22 increased to Rs. 7,425.98 Lakhs from Rs. 7,200.94 lakhs in the Financial Year 2020-21 representing an increase of 3.125%. Such increase was due to more raw material and consumables purchased due to increase in production.

**Employee benefits expense:**

Our Company has incurred Rs. 195.03 Lakhs as Employee benefits expense during the financial year 2021-22 as compared to Rs. 191.02 Lakhs in the financial year 2020-21. The increase of 2.099% was due to higher

employee and labour cost due to increase in production.

### **Financial Charges**

Our Company has incurred Rs. 305.11 Lakhs as financial charges during the financial year 2021-22 as compared to Rs. 409.53 Lakhs in the financial year 2020-21. The decrease of 25.49% was due to production process and product quality is updated.

### **Other Expenses:**

Our Company has incurred Rs. 341.26 Lakhs during the Financial Year 2021-22 on other expenses as against Rs. 374.57 Lakhs during the financial year 2020-21. There was a decrease of 8.89% mainly due to General overhead expenses reduced due to cost controls.

### **Restated profit before tax:**

Net profit before tax for the financial year 2021-22 increased to Rs. 483.07 Lakhs as compared to Rs. 308.85 Lakhs in the financial year 2020-21. The increase of 56.40% was due to factors as mentioned above.

### **Restated profit after tax:**

As a result of the foregoing factors, our profit after tax decrease to Rs. 357.47 Lakhs in financial year 2021-22 as compared to Rs. 1,033.67 lakhs in financial year 2020-21. Consequently, our PAT Margin decrease to 65.41% in financial year 2021-22.

### **Information required as per Item (II)(C)(iv) of Part A of Schedule VI to the SEBI Regulations:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

**1. Multiple new customer acquisition.**

Acquiring new customers provide additional avenues for selling products or services, leading to increased revenue.

**2. Increase in total turnover and other incomes.**

If there's an increase in the total turnover, it means that the business is selling more products or services, leading to higher sales revenue.

**3. Application of new Cost control tools.**

Cost control tools help identify and eliminate unnecessary expenses, leading to improved profit margins.

**4. Updated production process and product quality**

An updated production process often results in increased efficiency and reduced production costs. Streamlining operations, minimizing waste, and optimizing resource utilization contribute to lower expenses, thereby increasing profit margins.

**5. Well qualified team leaders and Management to provide better service**

A well-qualified team and management by providing better service, addressing customer needs promptly, and creating positive experiences, businesses can retain existing customers and attract new ones, leading to increased revenue through repeat business and referrals.

**6. More raw material and consumables purchased due to increase in production increased the expenditure**

With a higher volume of raw materials coming in, there may be additional quality control measures implemented to ensure that the materials meet the required standards. This can lead to increased expenditures on quality assurance processes.

**7. Higher employee and labour cost due to increase in production increase the expenditure.**

Increased production often requires hiring additional employees to handle the higher workload. The recruitment process, onboarding, and salaries for new hires contribute to higher labor costs.

**8. Decrease in finance cost due to change in working capital structure.**

A reduction in finance costs often implies lower interest expenses on loans or other forms of financing. This directly contributes to increased net income as a lower interest burden leads to higher profits.

**9. General overhead expenses reduced due to cost controls increases the income of business.**

Lowering general overhead expenses directly improves the company's profit margins. When operating costs are reduced, a larger percentage of revenue contributes to net income, enhancing overall profitability.

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## SECTION VII - LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except, as stated in this section and mentioned elsewhere in this Draft Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Group Companies or against any other company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters or Group Companies.*

Except as disclosed below there are no:

- a) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years;
- b) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;
- c) pending proceedings initiated against our Company for economic offences;
- d) default and non-payment of statutory dues by our Company;
- e) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies' law in the last five years against our Company, including fines imposed or compounding of offences done in those five years;
- f) material frauds committed against our Company in the last five years.

Pursuant to SEBI ICDR Regulations, all other pending litigations except criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies/entities, would be considered material for the purposes of disclosure if:

- a) the monetary amount of the claim made by or against the Company, its joint venture(s) and directors in any such pending litigation is equal to or in excess of 10% of the consolidated revenue of the Company or 25% of the profits before tax of the Company (whichever is lower) as per the last audited financial statements of the Company for a complete financial year, as included in the Offer Documents; or
- b) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation does not exceed the amount determined as per clause (a)



above, and the amount involved in all of such cases taken together exceeds the amount determined as per clause (a) above; and

c) any such litigation which does not meet the criteria set out in (a) above and an adverse outcome in which would materially and adversely affect the operations or financial position of the Company.

Accordingly, we have disclosed all outstanding litigations involving our Company, Promoters, Directors and Group Companies which are considered to be material. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered material only in the event that the outcome of such litigation has an adverse effect on the operations or performance of our Company. Unless otherwise stated to contrary, the information provided is as of date of this Draft Prospectus.

## **I. Litigations involving the Company**

### **A. Against the Company**

#### **1. Litigation involving Criminal Matters**

##### **a) Kotak Mahindra Bank vs Ambey Laboratories Limited [CTCASES/47389/2016]**

Kotak Mahindra Bank has filed a complaint under section 138 of the NI Act in the year 2016. The current stage of the matter is Post Summoning Evidence. The next date of hearing in the matter is 05.02.2024.

#### **2. Litigation involving Civil Matters**

##### **a) Revex Plasticisers Pvt Ltd vs Ambey Laboratories Limited [CS/56992/2016]**

It is a civil dispute between the parties where Revex Plasticisers Pvt Ltd has filed a civil case against Ambey Laboratories Limited for recovery of money. The Matter is in the final stage and is listed for final arguments. The next date of hearing in the matter is 22.08.2024.

##### **b) Sun Chem Process Machines Pvt Ltd vs Ambey Laboratories Ltd [CS(COMM)/623/2017]**

This suit for recovery filed by the Plaintiff for unpaid value of goods supplied to them in the ordinary course of business. The Defendants on 21<sup>st</sup> August 2023 had filed an application for seeking set aside of the Ex-Parte judgment and decree.

##### **c) Surya Technochem vs Ambey Laboratories Ltd [CS(COMM)/127/2019]**

This suit for recovery filed by the Plaintiff for unpaid value of goods supplied to them in the ordinary course of business. The Defendants on 21<sup>st</sup> August 2023 had filed an application for seeking set aside of the Ex-Parte judgment and decree.

#### **3. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL**

#### **4. Litigation/Matters involving Tax Liabilities: NIL**

**B. By the Company**

- 1. Litigation involving Criminal Matters: NIL**
- 2. Litigation involving Civil Matters: NIL**
- 3. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL**
- 4. Litigation/Matters involving Tax Liabilities: NIL**

**II. Litigations involving Promoters/Directors**

**A. Against Promoters/Directors**

- 1. Litigation involving Criminal Matters: NIL**
- 2. Litigation involving Civil Matters: NIL**
- 3. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL**
- 4. Litigation/Matters involving Tax Liabilities: NIL**

**B. By Promoters/Directors**

- 1. Litigation involving Criminal Matters: NIL**
- 2. Litigation involving Civil Matters: NIL**
- 3. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL**
- 4. Litigation/Matters involving Tax Liabilities: NIL**

**III. Litigations Involving Company's Group Entities**

**A. Against the Group Entities: NIL**

**B. By the Group Entities: NIL**

**IV Litigations Relating to the Subsidiary Company**

**A. Against Directors of the Subsidiary Company: NIL**

**B. By Directors of the Subsidiary Company: NIL**

Note: The Company has no Subsidiary Company

**V. Other litigations involving any other entities which may have a material adverse effect on the Company**

There is no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings

including those for economic offences, tax liabilities, prosecution under any enactment in respect of the Companies Act, show cause notices or legal notices pending against the company whose outcome could affect the operation or finances of the Company or have a material adverse effect on the position of the Company.

**VI. Details of the past penalties imposed on the Company / Directors**

Except as disclosed above, there are no cases in the last five years in which penalties have been imposed on the Company or on Directors.

**VII. Outstanding dues to Creditors**

As per the materiality policy of the Company for disclosing outstanding amounts to creditors. Based on the same, as on 31.10.2023 the Company had outstanding dues to creditors as follows:

(Amount in Lakhs)

Particulars	31.10.2023
Trade Payables	-
Micro, Small & Medium Enterprises	770.62
Others	1300.39
Total	2071.01

**We certify that except as stated herein above:**

- a) Except as provided below, there are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, promoters, group entities, companies promoted by the promoters during the past three years.
- b) There are no cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.
- c) There is no pending litigation against the Promoters/ Directors in their personal capacities and also involving violation of statutory regulations or criminal offences.
- d) There are no pending proceedings initiated for economic offences against the Directors, Promoters, Companies and firms promoted by the Promoters.
- e) There is no outstanding litigation, defaults etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
- f) There are no litigations against the Promoters / Directors in their personal capacity.
- g) The Company, its Promoters and other Companies with which promoters are associated have neither been suspended by SEBI nor has any disciplinary action been taken by SEBI except Rishita Gupta whose account has been freezed by SEBI.
- h) There is no material regulatory or disciplinary action by SEBI, stock exchange or regulatory authority in the past five year in respect of the promoters, group company’s entities, entities promoted by the promoters of the company.

i) There is no status of criminal cases filed or any investigation being undertaken with regard to alleged commission of any offence by any of the Directors. Further, none of the Directors has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc.

j) The issue is in compliance with applicable provision of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2018.

Neither the Company nor any of its promoters or directors is a willful defaulter.

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## GOVERNMENT AND OTHER APPROVALS

*In view of the licenses / permissions / approvals / no-objections / certifications / registrations, (collectively “Authorizations”) listed below, our Company can undertake this Issue and our current business activities and to the best of our knowledge, no further approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus. It must be distinctly understood that, in granting these approvals, the GoI, the RBI or any other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled “Key Industry Regulation and Policies” beginning on page 160 of the Draft Prospectus.*

## CORPORATE APPROVALS FOR THIS ISSUE

1. The Board of Directors have, pursuant to resolutions passed at its meeting held on 26<sup>th</sup> December 2023 has approved the Issue, subject to the approval by the shareholders of the Company under Section 62 (1)(c) of the Companies Act 2013.
2. The Shareholders have, pursuant to the resolution dated 24<sup>th</sup> January 2024 under section 62 (1) (c) of the Companies Act 2013, authorized the Issue.

## IN-PRINCIPLE APPROVAL

The Company has obtained approval from NSE vide its letter dated [•] to use the name of NSE in this Offer document for listing of equity shares on Emerge Platform of NSE. NSE is the Designated Stock Exchange.

## AGREEMENTS WITH NSDL AND CDSL

1. The Company has entered into an agreement dated October 27 2023, with the Central Depository Services (India) Limited (CDSL), and the Registrar and Transfer Agent, who, in this case, is Link Intime India Private Limited, for the dematerialization of its shares.
2. The Company has also entered into an agreement dated June 2,2022 with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who, in this case, is, Link Intime India Private Limited for the dematerialization of its shares.
3. The Company’s International Securities Identification Number (ISIN) is INE0M3I01029.

### INCORPORATION DETAILS OF OUR COMPANY

S.No.	Authorisation granted	Issuing Authority	CIN	Date of Issue	Valid Up to
1	Certificate of Incorporation in the name of "Ambey Laboratories Private Limited"	ROC-Delhi	U74899DL1985PTC020490	20.03.1985	Perpetual
2	Certificate of Incorporation for conversion from Private to Public company in the name of "Ambey Laboratories Limited"	ROC- Delhi	U74899DL1985PLC020490	30.12.2014	Perpetual

### TAX RELATED AUTHORISATIONS OF COMPANY

S. No	Authorization granted	Issuing Authority	Registration No. /Reference No. /License No.	Date of Issue	Validity
1	Permanent Account Number	Income Tax Department, GOI	AAACA4317R	20.03.1985	Perpetual
2	Tax Deduction Account Number	Income Tax Department, GOI	DELA14082F	29.07.2004	Perpetual
3	Details of GST registration of the Company				
	GST Registration Certificate (Rajasthan)	Centre Goods and Services Tax Act, 2017	08AAACA4317R1ZF	01.07.2017	Valid until cancellation
	GST Registration Certificate (Delhi)	Centre Goods and Services Tax Act, 2017	07AAACA4317R1ZH	01.07.2017	Inactive (Not Migrated since the date of registration)
	GST Registration Certificate (Punjab)	Centre Goods and Services Tax Act, 2017	03AAACA4317R1ZP	01.07.2017	Inactive (since the date of registration)

## BUSINESS RELATED CERTIFICATIONS

Our Company has received the following significant government and other approvals pertaining to our business:

Sr.No.	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Valid Upto
1	Udyog Aadhaar Registration Certificate (MSME)	Ministry of Micro, Small, & Medium Enterprises	UDYAM-DL-11-0000464	11.02.2021	Valid until cancellation
2	Employees State Insurance Corporation	Ministry of Labour and Employment	15000210420000301	21.12.2010	Valid until cancellation
3	Employees Provident Fund Organisation	Ministry of Labour and Employment	RJRAJ0015774000	24.07.2006	Valid until cancellation
4	Registration & License to Work a Factory	Government of Rajasthan	RJ/27820	28.01.2022	31.03.2027
5	Importer – Exporter Code	Ministry of Commerce & Industry	0505011671	18.05.2005	Valid until cancellation
6	Agriculture License	Department of Agriculture	MnFg/Tech.I/PP/2006 /L -88 (Old) IM/2021-22/119	31.03.2006	Valid until cancellation
7	Central Excise Registration	Department of Excise	AAACA4317RXM001	08.11.2005	Valid until cancellation
8	Certificate of Exemption for Ground Water Withdrawal	Department of Water Resources	21-4/14984/RJ/IND/2020	19.11.2020	Valid until cancellation

		, River Developm ent& Ganga Rejuvenati on Central Ground Water Authority			
9	Drug License	Drugs Controller Rajasthan	RAJ-2760	08.01.20 21	Valid until cancellation

**INTELLECTUAL PROPERTY**

As per the records provided by Company, there are No trademark/wordmark registered or objected in the name of Ambey Laboratories Limited under The Trademarks Act, 1999.

**IT MUST, HOWEVER BE, DISTINCTLY UNDERSTOOD THAT IN GRANTING THE ABOVE - MENTIONED APPROVALS, THE CENTRAL GOVERNMENT, STATE GOVERNMENT, RBI AND OTHER AUTHORITIES DO NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS.**

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## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

The Issue has been authorized by a resolution of the Board passed at their meeting held on 26 December ,2023 which was subject to the approval of shareholders through special resolution. The shareholders of our Company have approved this issue vide a Special Resolution passed at an Extra Ordinary General Meeting held on 24 January ,2024 at the Registered Office of our company. This Draft Red Herring Prospectus has been approved by our Board pursuant to a resolution dated 26 December ,2023.

We have received In-Principle Approval from National Stock Exchange of India Limited vide their letter dated [●].

### Prohibition by SEBI or other governmental authorities

We confirm that, in accordance with regulation 228 of SEBI (ICDR) Regulations, 2018

- a. Our Company, Directors, Promoters, Promoter Group, person in control of our Company, are not prohibited from accessing or operating in the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority / court as on the date of this Draft Red Herring Prospectus;
- b. Neither any of the promoters or directors of our company is a promoter or director of any other company which is debarred from accessing the capital market by the Board or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority / court as on the date of this Draft Red Herring Prospectus;
- c. Further, neither our company or our Promoters or Directors are declared as wilful defaulter or a fraudulent borrower;
- d. Further, none of our Promoters or Directors are declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

Our Company is in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended (“**SBO Rules**”) to the extent applicable. Our Company and members of the Promoter Group are in compliance with the SBO Rules to the extent applicable to each of them as on the date of this Draft Red Herring Prospectus.

None of our Directors are associated with the securities market in any manner and there is no outstanding action initiated against them by SEBI in the past 5 years.

### Prohibition by RBI

Neither our Company nor any of our Promoters or Directors have been identified as wilful defaulter(s) by the RBI or any other governmental authority.

## Eligibility for this Issue

We hereby confirm that the Company is eligible for the Issue in accordance with Regulation 229 (2) and other provisions of chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, which is as under:

Particular		Complied or Not
<b>Entities not eligible to make an initial public offer</b>		
<b>228</b>	An issuer shall not be eligible to make an initial public offer:	
	(a) if the issuer, any of its promoters, promoter group or directors or selling shareholders are debarred from accessing the capital market by the Board;	Complied
	(b) if any of the promoters or directors of the issuer is a promoter or director of any other company which is debarred from accessing the capital market by the Board;	Complied
	(c) if the issuer or any of its promoters or directors is a wilful defaulter or a fraudulent borrower.	Complied
	(d) if any of its promoters or directors is a fugitive economic offender.	Complied
<b>Eligibility requirements for an Initial Public Offer</b>		
<b>229</b>	(1) An issuer shall be eligible to make an initial public offer only if its post-issue paid-up capital is less than or equal to ten crore rupees.	Complied
	(2) An issuer, whose post issue face value capital is more than ten crore rupees and upto twenty-five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.	Complied
	(3) An issuer may make an initial public offer, if it satisfies track record and/or other eligibility conditions of the SME Exchange(s) on which the specified securities are proposed to be listed. Provided that in case of an issuer which had been a partnership firm or a limited liability partnership, the track record of operating profit of the partnership firm or the limited liability partnership shall be considered only if the financial statements of the partnership business for the period during which the issuer was a partnership firm or a limited liability partnership, conform to and are revised in the format prescribed for companies under the Companies Act, 2013 and also comply with the following:	Complied
	(a) adequate disclosures are made in the financial statements as required to be made by the issuer as per Schedule III of the Companies Act, 2013;	Complied
	(b) the financial statements are duly certified by auditors, who have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI, stating that: (i) the accounts and the disclosures made are in accordance with the provisions of Schedule III of the Companies Act, 2013; (ii) the accounting standards prescribed under the Companies Act, 2013 have been followed; (iii) the financial statements present a true and fair view of the firm's accounts;	Complied
	Provided further that in case of an issuer formed out of merger or a division of an existing company, the track record of the resulting issuer shall be considered only if the requirements regarding financial statements as specified above in the first proviso are complied with.	Not Applicable
<b>General conditions</b>		

<b>230</b>	(1)	An issuer making an initial public offer shall ensure that:	
	(a)	it has made an application to one or more SME exchanges for listing of its specified securities on such SME exchange(s) and has chosen one of them as the designated stock exchange, in terms of Schedule XIX:	Complied
	(b)	it has entered into an agreement with a depository for dematerialisation of its specified securities already issued and proposed to be issued;	Complied
	(c)	all its existing partly paid-up equity shares have either been fully paid-up or forfeited;	Complied
	(d)	all specified securities held by the promoters are in the dematerialised form;	Complied
	(e)	it has made firm arrangements of finance through verifiable means towards seventy-five per cent. of the stated means of finance for the project proposed to be funded from the issue proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals.	Complied
		Explanation: “project” means the object for which monies are proposed to be raised to cover the objects of the issue	
	(2)	The amount for general corporate purposes, as mentioned in objects of the issue in the draft offer document and the offer document shall not exceed twenty-five per cent. of the amount being raised by the issuer.	Complied
	(3)	The amount for:	
	(i)	general corporate purposes, and	Not Applicable
	(ii)	such objects where the issuer company has not identified acquisition or investment target, as mentioned in objects of the issue in the draft offer document and the offer document, shall not exceed thirty-five per cent. of the amount being raised by the issuer:	Not Applicable
		Provided that the amount raised for such objects where the issuer company has not identified acquisition or investment target, as mentioned in objects of the issue in the draft offer document and the offer document, shall not exceed twenty-five per cent. of the amount being raised by the issuer:	Not Applicable
		Provided further that such limits shall not apply if the proposed acquisition or strategic investment object has been identified and suitable specific disclosures about such acquisitions or investments are made in the draft offer document and the offer document at the time of filing of offer documents.	Not Applicable

The Company also complies with the eligibility conditions laid by the EMERGE Platform of National Stock Exchange of India Limited for listing of our Equity Shares which is as under:

Parameter	Listing criterion	Complied or not
Incorporation	The issuer should be a company incorporated under the Companies Act 1956 / 2013 in India.	Complied
Post issue paid up capital	The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crores.	Complied

Track record	<ul style="list-style-type: none"> <li>• Track record of at least three years of either               <ol style="list-style-type: none"> <li>i. the applicant seeking listing; or</li> <li>ii. the promoters****/promoting company, incorporated in or outside India or</li> <li>iii. Proprietary / Partnership firm and subsequently converted into a Company (not in existence as a Company for three years) and approaches the Exchange for listing.</li> </ol> </li> </ul>	Complied
Other listing conditions	<ul style="list-style-type: none"> <li>• The applicant company has not been referred to erstwhile Board for Industrial and Financial Reconstruction (BIFR) or No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies</li> <li>• The company has not received any winding up petition admitted by a NCLT / court.</li> <li>• No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant company.</li> </ul>	Complied
Disclosures	<p>The following matters should be disclosed in the offer document:</p> <ol style="list-style-type: none"> <li>1. Any material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company.</li> <li>2. Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years.</li> <li>3. The applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) litigation record, the nature of litigation, and status of litigation.</li> <li>4. In respect of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences.</li> </ol>	Complied

**We confirm that:**

1. In accordance with regulation 260 of the SEBI (ICDR) Regulations, this Issue will be 100% underwritten and shall not restrict to the minimum subscription level. The BRLM shall under write at least 15% of the total Issue size. For further details pertaining to underwriting please refer to chapter titled “*General Information*” on [●] of this Draft Red Herring Prospectus.
2. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty (50), otherwise, the

entire application money will be refunded forthwith. If such money is not repaid within four days (4) from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of four (4) days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.

3. We have filed Draft Red Herring Prospectus with stock exchange. The Draft Red Herring Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Offer Document in terms of Regulation 246 of SEBI (ICDR), 2018. However, pursuant to sub regulation (5) of regulation 246, the copy of Draft Red Herring Prospectus shall also be furnished to the SEBI in a soft copy.
4. In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Book Running Lead Manager and Market Maker to ensure compulsory market making for the minimum period of three (3) years from the date of listing of equity shares offered in this issue. For further details of the market making arrangement see chapter titled “*General Information*” on page 54 of this Draft Red Herring Prospectus.
5. The Company has website [www.ambeylab.com](http://www.ambeylab.com)
6. Our Company is incorporated under Companies Act, 1956;
7. Post Issue face value capital should not be more than ₹ 25 crore;
8. Net-worth of the Company is positive as per the latest audited and restated financial statements;
9. Positive EBDITA in at least 2 out of 3 FY preceding the application;
10. In accordance with regulation 229(3), the Promoters of our company have a track record of more than 3 years, for more information refer chapter titled “Our History and Certain Other Corporate Matters” on page 168 of this Draft Red Herring Prospectus;
11. The Company has not been referred to erstwhile Board for Industrial and Financial Reconstruction or no proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer;
12. No petition for winding up is admitted by a court of competent jurisdiction against the company.
13. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **Disclaimer clause of SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER FAST TRACK FINSEC PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND**

**ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, FAST TRACK FINSEC PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, FAST TRACK FINSEC PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [•] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF SECURITIES AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.**

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Red Herring Prospectus with the Registrar of Companies, Delhi, in terms of Section 26 and 32 of the Companies Act, 2013.

#### **Disclaimer statement from our company and the Book Running Lead Manager**

Our Company, our Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in the Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website, [www.ambeylab.com](http://www.ambeylab.com) would be doing so at his or her own risk.

BRLM accepts no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriter and our Company.

All information will be made available by the Book Running Lead Manager, Underwriter, Syndicate members and our Company to the public and bidders at large and no selective or additional information would be available for any section of the bidders in any manner whatsoever including at road shows, presentations, in research or sales reports etc. We shall not be liable to the Bidders for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company and the BRLM or any other member of the Syndicate shall not be liable to the Bidders for any i) failure in uploading the Bids due to faults in any software/hardware system or otherwise. 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.

## **Caution**

Bidders will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approval to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approval to acquire Equity Shares. Our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any bidders on whether such bidder is eligible to acquire Equity Shares.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

## **Price information and the track record of the past issues handled by the Book Running Lead Manager**

For details regarding the price information and track record of the past issues handled by Fast Track Finsec Private Limited, please refer “Annexure A” to this Draft Red Herring Prospectus and the website of Book Running Lead Manager at <http://www.ftfinsec.com>

## **Disclaimer in respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹ 2,500 Lakhs, pension funds with minimum corpus of ₹ 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi, only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with National Stock Exchange of India Limited for its observations and National Stock Exchange of India Limited shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Draft Red Herring Prospectus in each jurisdiction, including India.

### **Disclaimer clause of the National Stock Exchange of India Limited**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). National Stock Exchange of India Limited has given vide its letter dated [●] permission to the Issuer to use the Exchange's name in this Offer Document as the stock exchange on which this Issuer'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 Issuer. It is to be distinctly understood that the aforesaid permission given by National Stock Exchange of India Limited should not in any way be deemed or construed that the offer document has been cleared or approved by National Stock Exchange of India Limited; 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.

### **Filing**

Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018, the copy of the offer document shall also be furnished to the SEBI in a soft copy. However, SEBI will not issue any observation on the offer document in terms of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the offer document will be filed online through SEBI Intermediary portal at <https://siportal.sebi.gov.in>.

### **Listing**

An application has been made to the Emerge Platform of National Stock Exchange of India Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. National Stock Exchange of India Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The Emerge Platform of National Stock Exchange of India Limited has given its in-principle approval for using its name in our Offer Document vide its letter [●] dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the Emerge Platform of National Stock Exchange of India Limited, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8



working days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of National Stock Exchange of India Limited mentioned above are taken within six Working Days from the Issue Closing Date.

### **Consents**

Consents in writing of the Directors, the Promoters, the Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor, Banker to the Company, Book Running Lead Manager/ Underwriter, Registrar to the Issue, Legal Advisor to the Issue have been obtained and consents from Syndicate Member, Market Maker, Public Issue Bank / Banker to the Issue/Refund Banker to the Issue/Sponsor bank, to act in their respective capacities will be obtained as mandated as per section 26 of the Companies Act 2013 and shall be filed along with a copy of the Red Herring Prospectus with the ROC, as required under Sections 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the ROC. Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Red Herring Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and Prospectus for filing with the ROC.

### **Expert to the issue**

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

- Report of the Auditor on Statement of Tax Benefits
- Report of the Auditor on Restated Financial Statements for the stub period ended on October 31, 2023 and financial year ended on March 31, 2023, March 31, 2022 and March 31, 2021 of our company.

However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.

### **Expenses of the Issue**

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, see the chapter “Objects of the Issue” on page 92 of this Draft Red Herring Prospectus.

### **Previous rights and public issues**

Except as stated in the chapter titled “*Capital Structure*” on page 67 of this Draft Red Herring Prospectus, we have not made any previous rights and/or public issues during last 5 years, and is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

### **Commission and brokerage on previous issues**

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares in the last 5 years.

### **Capital issue during the previous three years by issuer company and listed group companies**

Neither our Company nor any of our Group Company have undertaken any capital issue or any public or rights issue in the last three years preceding the date of this Draft Red Herring Prospectus.

### **Promise versus performance for our company and/or listed subsidiary company and/or listed promoter company**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us. Further, none of our Subsidiaries or Promoter Companies are listed on any stock exchange, so, data regarding promise versus performance is not applicable.

### **Stock market data for our equity shares**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

### **Mechanism for redressal of investor grievances**

The Agreement between the Registrar and our Company provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and unblocking of funds to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as the name, address of the bidder, UPI ID (if applicable), number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant / Bidder, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants / bidders.

Further, none of our subsidiary companies or Group Companies are listed on any stock exchange, so disclosure regarding mechanism for redressal of investor grievances for our subsidiary companies are not applicable.

### **Disposal of investor grievances by our company**

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances within 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.

We have constituted the Stakeholders Relationship Committee of the Board *vide* resolution passed at the Board Meeting held on 21 December, 2023. For further details, please refer to the chapter titled “*Our Management*” on page 172 of this Draft Red Herring Prospectus.

Our Company has appointed Rimple Sarin as Company Secretary and Compliance Officer and she may be contacted at the following address:

Ambey Laboratories Limited  
Ground Floor, Property No.555 Tarla Mohalla, Ghitorni, South West Delhi, New Delhi, Delhi, India,  
110030

**Tel:** 0124-4000788

**Email:** [cs@ambeylab.com](mailto:cs@ambeylab.com)

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or unblocking of funds, *etc.*

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## SECTION VIII – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, Application Form, any Confirmation of Allocation Note (“CAN”), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GOI, the Stock Exchange, the ROC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GOI, the Stock Exchange, the ROC and/ or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, SEBI through 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, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and any subsequent circulars issued by SEBI in this regard, SEBI 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, with respect to Application by retail individual investors through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applicants with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by retail individual investors (“UPI Phase III”), as may be prescribed by SEBI.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

### AUTHORITY FOR THE ISSUE

The present Public Issue of up to 65,52,000 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on December 26, 2023 and was approved by the Shareholders of the Company by passing Special Resolution at the Extraordinary General Meeting

held on January 24, 2024. in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

## **RANKING OF EQUITY SHARES**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our MOA and AOA and shall rank pari-pasu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled, “*Main Provisions of Article of Association*”, beginning on page 335 of this Draft Red Herring Prospectus.

## **MODE OF PAYMENT OF DIVIDEND**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI Listing Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to section titled “*Dividend Policy*” and “*Main Provisions of Article of Association*” beginning on page 196 and 335 respectively of this Draft Red Herring Prospectus.

## **FACE VALUE AND ISSUE PRICE**

The face value of each Equity Share is ₹ 10.00 and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share (“Floor Price”) and at the higher end of the Price Band is ₹ [●] per Equity Share (“Cap Price”). The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company in consultation with the BRLM, and will be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper and Hindi edition of [●], a regional newspaper each with wide circulation and shall be made available to the Stock Exchange for the purpose of uploading on its website.

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 website of the Stock Exchange. The Issue Price shall be determined by our Company and in consultation with the BRLM, after the Bid/ Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

## **SEBI (ICDR) REGULATIONS, 2018**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **COMPLIANCE WITH DISCLOSURE AND ACCOUNTING NORMS**

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **RIGHTS OF THE EQUITY SHAREHOLDERS**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- a) Right to receive dividend, if declared;
- b) Right to receive Annual Reports and notices to members;
- c) Right to attend general meetings and exercise voting rights, unless prohibited by law;
- d) Right to vote on a poll either in person or by proxy;
- e) Right to receive offer for rights shares and be allotted bonus shares, if announced;
- f) Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- g) Right of free transferability of the Equity Shares; and
- h) Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI Listing Regulations, MOA and AOA of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to section titled “*Main Provisions of the Articles of Association*” beginning on page 335 of this Draft Red Herring Prospectus.

## **ALLOTMENT ONLY IN DEMATERIALIZED FORM**

As per the provisions of the Depositories Act, 1996 and the regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated June 02, 2022 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated October 27, 2023 between CDSL, our Company and Registrar to the Issue.

## **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the NSE Emerge (SME platform of NSE) from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

### **MINIMUM NUMBER OF ALLOTTEES**

Further in accordance with the Regulation 268(1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by SCSBs shall be unblocked within four (4) working days of closure of Issue.

### **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/ authorities in Delhi, India.

**The Equity Shares have not been and will not be registered under the U.S Securities Act, 1933 or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the U.S. Securities Act, 1933 and the applicable laws of the jurisdictions where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

### **JOINT HOLDERS**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such. Equity Shares as joint-holders with benefits of survivorship.

### **NOMINATION FACILITY TO INVESTOR**

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person to whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Corporate Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by

virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### PERIOD OF SUBSCRIPTION LIST OF PUBLIC ISSUE

Event	Indicative Dates
Bid/ Issue Opening Date	[●] <sup>1</sup>
Bid/ Issue Closing Date	[●] <sup>2</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account*	On or about [●]
Credit of Equity Shares to Demat Accounts of Allottees	On or about [●]
Commencement of Trading of The Equity Shares on the Stock Exchange	On or about [●]

*Note: <sup>1</sup>Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations*

*<sup>2</sup>Our Company in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

**\*\***In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on



the Stock Exchange are taken within 3 Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

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

On the Bid/ Issue Closing Date, the Bids shall be uploaded until:

- (i) 4.00 P.M. IST in case of Bids by QIBs and Non-Institutional Bidders, and until 5.00 P.M. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/ Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

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

In accordance with SEBI (ICDR) Regulations, QIBs and Non-Institutional Bidders are not allowed

to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid-Cum-Application Forms prior to the Bid/ Issue Closing Date. Allocation to Retail Individual Bidders, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid- Cum- Application Form, for a particular Bidder, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid-Cum- Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of any revision to the Price Band, the Bid/ Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Issue Period not exceeding a total of 10 Working Days. In case of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

## **MINIMUM SUBSCRIPTION AND UNDERWRITING**

This Issue is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including development of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act, 2013 and applicable law.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled **“General Information - Underwriting”** on beginning page 54 of this Draft Red Herring Prospectus.

Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

### **MIGRATION TO MAIN BOARD**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

*If the Paid-up Capital of the company is likely to increase above Rs. 25.00 Crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.*

*Or*

*If the Paid-up Capital of the company is more than Rs. 10 crores but below Rs. 25 crores and if the company fulfils the eligibility criteria for listing laid down by the main board, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.*

### **MARKET MAKING**

The shares offered through this Issue are proposed to be listed on the NSE Emerge (SME platform of NSE), wherein the BRLM to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of NSE.

For further details of the agreement entered into between the Company the BRLM and the Market Maker please refer to section titled **“General Information - Details of the Market Making Arrangements for this Issue”** beginning on page 54 of this Draft Red Herring Prospectus.

### **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of NSE.

**As per the extent Guideline of the Government of India, OCBs cannot participate in this Issue:**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

### **ALLOTMENT OF EQUITY SHARES IN DEMATERIALIZED FORM**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialized form. Further, as per the SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

### **NEW FINANCIAL INSTRUMENTS**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

### **APPLICATION BY ELIGIBLE NRIS, FPI'S, VCF'S, AIF'S REGISTERED WITH SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

### **RESTRICTIONS ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING**

Except for lock-in of the Pre- Issue Equity Shares and Promoters minimum contribution in the Issue as detailed under section titled "*Capital Structure*" beginning on page 67 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled "*Main Provisions of the Articles of Association*" beginning on page 333 of this Draft Red Herring Prospectus.

### **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the ROC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and oneregional newspaper with wide circulation where the Registered Office of our Company is situated.

## **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the issue after the Bid/ Issue Opening date but before the Allotment. In such an event, our Company would issue a public notice in the newspaper in which the pre- issue advertisements were published, within two days of the Bid/ Issue Closing date or such othertime as may be prescribed by SEBI, providing reasons for not proceeding with the issue. The BRLM through, the Registrar of the issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one working day from the date of receipt of such notification. Our Company shall also inform the same to the stock exchange on which equity shares are proposed to be listed.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLM are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*

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## ISSUE PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, notified by SEBI (“General Information Document”) and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, included below under Section “PART B – 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, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.

Additionally, all Bidders may refer to the General Information Document for information, in addition to what is stated herein, in relation to (i) category of Bidders eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for Bidders applying through ASBA process and Retail Individual Investors applying through the United Payments Interface channel; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid Cum Application Form); (vii) Designated Date; (viii) disposal of Applications; (ix) submission of Bid Cum Application Form; (x) other instructions (limited to joint Applications in cases of individual, multiple Applications and instances when an Application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious Applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Book Running Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

This section applies to all the Bidders, please note that all the Bidders are required to make payment of the Full Application Amount along with the Bid Cum Application Form.

### ***Phased implementation of Unified Payments Interface***

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the “UPI Circulars”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**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. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

**Phase III:** In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Manager.

### **PART A**

#### **Book Building Procedure**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from 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 QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Investors and not less than 35% of the Issue 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 Issue Price.

Subject to valid Bids being received at or above the Issue 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 a combination of categories at the discretion of our Company in consultation with the BRLM, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories.

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 dematerialized form. The Bidcum 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 Offer, subject to applicable laws.***

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the NSE, at least one day prior to the Bid/Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Offer is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- i. RIIs (other than the RIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- ii. RIIs using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- iii. QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members,



Registered Brokers, RTAs or CDPs.

**Anchor Investors are not permitted to participate in the issue through the ASBA process.**

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the BRLM. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

The prescribed color of the Bid cum Application Form for various categories is as follows:

Category	Colour*
Anchor Investor**	[●]
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	[●]
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	[●]

\*Excluding Electronic Bid cum Application Form

\*\* Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (“broker”)
4.	A depository participant (“DP”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent (“RTA”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by Investor to intermediaries other than SCSBs</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications Submitted by investors to intermediaries other than SCBs with use of UPI for payment</b>	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

### **Availability of Draft Red Herring Prospectus and Bid Cum Application Forms**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Issue Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

### **Who can Bid?**

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: -Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

**As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is**

**through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.**

## **MAXIMUM AND MINIMUM APPLICATION SIZE**

### **1. For Retail Individual Bidders**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed Rs. 2,00,000.

### **2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

## **METHOD OF BIDDING PROCESS**

Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Hindi Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid/ Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid/ Issue Period.

- a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in all editions of the English national newspaper, all editions of Hindi national newspaper and Hindi Edition of Regional newspaper where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
- b) During the Bid/ Issue Period, Retail Individual Bidders, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and

ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.

- c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- d) The Bidder/ Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- e) Except in relation to the Bids received from the Anchor Investors, the BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form
- f) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one working day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “*Escrow Mechanism - Terms of payment and payment into the Escrow Accounts*” in the section “*Issue Procedure*” beginning on page 296 of this Draft Red Herring Prospectus
- h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form prior to uploading such Bids with the Stock Exchange.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue

Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b. Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
- e. The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.

### **Participation by Associates /Affiliates of BRLM and the Syndicate Members**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the Issue under the Anchor Investor Portion.

### **Option to Subscribe in the Issue**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of

Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

### **Information for the Bidders**

1. Our Company and the Book Running Lead Manager shall declare the Bid/ Issue Opening Date and Bid/ Issue Closing Date in the Draft Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/ Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridged Prospectus and copies of the Draft Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Draft Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

### **BIDS BY ANCHOR INVESTORS:**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹ 200.00 lakhs. 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 ₹ 200.00 lakhs
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
- 5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to ₹200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than ₹200.00 Lakhs but upto ₹2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than ₹2500.00 Lakhs: (i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue 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 BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the



Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.

- 9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
- 10) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.
- 11) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
- 12) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- 13) Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

#### **BIDS BY ELIGIBLE NRI'S:**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary (“NRO”) accounts for the full 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).

#### **BIDS BY FPI INCLUDING FII'S:**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub- accounts, which

are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

#### **BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S:**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIF's.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

#### **BIDS BY HUFs:**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

#### **BIDS BY MUTUAL FUNDS:**

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 index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

With respect to 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 reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **BIDS BY SYSTEMATICALLY IMPORTANT NON BANKING FINANCIAL COMPANIES:**

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non- Banking Financial Companies participating in the Issue shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS:**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

#### **BIDS BY INSURANCE COMPANIES:**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS UNDER POWER OF ATTORNEY:**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to 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
- e) Our Company in consultation with the BRLM in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the BRLM and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under

applicable law or regulation or as specified in the Draft Red Herring Prospectus.

#### **BIDS BY PROVIDENT FUNDS / PENSION FUNDS:**

In case of Bids made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

#### **BIDS BY BANKING COMPANY:**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require aprior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

#### **BIDS BY SCSB'S:**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum 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 Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

#### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

#### **Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

### **Terms of payment**

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### **Payment into Escrow Account for Anchor Investors**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors

are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of resident Anchor Investors: “[●]”
- b. In case of Non-Resident Anchor Investors: “[●]”

Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 5.00 p.m. of the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - a) the applications accepted by them,
  - b) the applications uploaded by them
  - c) the applications accepted but not uploaded by them or
  - d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
  - Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch wherethe ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above- mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.



13. The Designated Intermediaries will be given time till 5.00 p.m. on the Bid/Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

### **Build of the Book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Issue Period.

### **Withdrawal of Bids**

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### **Price Discovery and Allocation**

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalise the Issue Price and the Anchor Investor Issue Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be

permitted from the Reserved Portion to the Issue. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.

- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
- f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

**Illustration of the Book Building and Price Discovery Process:** Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

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

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

**Signing of Underwriting Agreement and Filing of Red Herring Prospectus/ Prospectus with RoC**

- a) Our company has entered into an Underwriting Agreement dated [●]
- b) A copy of Red Herring Prospectus will be filed with the RoC and copy of Prospectus will be filed with RoC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

**Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after filing the Draft Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid/Issue Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICRD Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

**ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS:**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

## **GENERAL INSTRUCTIONS:**

Please note that the NIIs are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage. Retail Individual Investor can revise their Bids during the Bid/Issue period and withdraw their Bids until Bid/issue Closing date.

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

### **Do's:**

1. Check if you are eligible to apply as per the terms of the Draft 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 the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. In case of Joint bids, ensure the first bidder is the ASBA Account holder (or the UPI linked bank account holder, as the case may be) and the signature of the first bidder is included in the Bid cum Application Form;
8. QIBs, Non-Institutional Bidders and the Retail Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their bid by using UPI mechanism for payment.
9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
16. 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;
17. Ensure that the category and the investor status is indicated;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;
23. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
24. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
25. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB 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;
26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
27. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

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 size;
2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceed Rs. 2,00,000/- (for Applications by Retail Individual Bidders);

10. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. 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 Applicant;
14. 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;
15. 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);
16. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **Other instructions for the Bidders**

#### **Joint Bids**

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

#### **Multiple Bids**

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

#### **Investor Grievance**

In case of any pre-issue or post issue related problems regarding demat credit/ refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.

#### **Nomination Facility to Bidders**

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

#### **Submission of Bids**

- a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b) In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the DRHP.

## **GROUNDINGS OF TECHNICAL REJECTIONS**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm assuch shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form / Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges;
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by

- SEBI or any of the regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
- Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

### **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### **BASIS OF ALLOTMENT**

#### **a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue

Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

**b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

**c. For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:
  - In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
  - In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
  - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- b) In the second instance Allotment to all QIBs shall be determined as follows:
  - In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
  - Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity



Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.

- Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

**d. ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:

- i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
- ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:
  - a maximum number of two Anchor Investors for allocation up to ₹ 2 crores;  
a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
  - in case of allocation above twenty five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty five crore rupees and an additional 10 such investors for every additional twenty five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.

b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

**c) In the event that the Issue Price is higher than the Anchor Investor Allocation Price:**

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors

**d) In the event the Issue Price is lower than the Anchor Investor Allocation Price:**

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

**e) Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Issue:**

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in

consultation with the NSE Emerge (SME platform of NSE) (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this DRHP.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/-

Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director/ Managing Director of NSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.

The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice

shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 2 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

**Designated Date:**

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 2 working days of the Bid/Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

**Instructions for Completing the Bid Cum Application Form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect from January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com).

**Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the

Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE Emerge (SME platform of NSE) where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 3 (three) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 2 (two) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### **Right to Reject Applications**

In case of QIB Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

### **Impersonation**

*Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

#### **“Any person who-**

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

### **Undertakings by Our Company**

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within three working days from Issue Closure date.
- 3) That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 4) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within two Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 5) That our Promoter's contribution in full has already been brought in;
- 6) That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, undersubscription etc.;
- 7) That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
- 8) If our Company does not proceed with the Issue after the Bid/Issue Opening Date but

before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;

- 9) If our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/ RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 10) If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

### **Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Tripartite Agreement dated June 02, 2022 between NSDL, the Company and the Registrar to the Issue;
- b) Tripartite Agreement dated May October 27, 2023 between CDSL, the Company and the Registrar to the Issue;
- c) The Company's equity shares bear an ISIN No "INE0M3I01029"

## RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (DIPP), issued consolidated FDI Policy, which with effect from August 28, 2017 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

**As per the existing policy of the Government of India, OCBs cannot participate in this Issue. The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.**

**Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be “qualified institutional investors” (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulations under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.**

**The above information is given for the benefit of the Applicants. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.**

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer, whose post issue face value capital is more than ten crore rupees and up to twenty-five crore rupees shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“*SME Exchange*”), in this case being the NSE Emerge. For further details regarding the salient features and terms of such an issue please refer chapter titled “*Terms of the Issue*” and “*Issue Procedure*” on page 286 and 296 of this Draft Red Herring Prospectus.

### Issue Structure:

Initial Public Issue of up to 65,52,000 Equity Shares of face value ₹10 each (*the “Equity Shares”*) for cash at a price of ₹ [●] per Equity Share (including a Share Premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] Lakhs (*the Issue*) by the issuer Company (*the “Company”*).

The Issue comprises a reservation of up to 3,27,600 Equity Shares of face value ₹ 10 each for subscription by the designated Market Maker (*the Market Maker Reservation Portion*) and Net Issue to Public of up to 62,24,400 Equity Shares of face value ₹ 10 each (*the Net Issue*). The Issue and the Net Issue will constitute [●] % and [●] %, respectively of the post Issue paid up equity share capital of the Company. The Issue is being made through the Book Building Process.

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
<b>Number of Equity Shares available for allocation</b>	Up to [●] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares	Not less than [●] Equity Shares
<b>Percentage of Issue Size available for allocation</b>	[●] of the Issue Size	Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue



<b>Basis of Allotment<sup>(3)</sup></b>	Firm Allotment	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.	Proportionate basis subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares	Proportionate basis subject to minimum allotment of [●] Equity Shares
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<b>Particulars of the Issue<sup>(2)</sup></b>	<b>Market Maker Reservation Portion</b>	<b>QIBs<sup>(1)</sup></b>	<b>Non-Institutional Investors</b>	<b>Retail Individual Investors</b>
		Up to 60% of the QIB Portion (of 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		
<b>Mode of Allotment</b>	Compulsorily in dematerialized form.			
<b>Minimum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	[●] Equity Shares
<b>Maximum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue (excluding the QIB portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000

<b>Trading Lot</b>	[●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
<b>Terms of Payment</b>	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Format the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(4)</sup>			
<b>Mode of Bid</b>	Only through the ASBA process.	Only through the ASBA process. (Except for Anchor investors)	Only through the ASBA process	Through ASBA Process Through Banks or by using UPI ID for payment

*This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.*

<sup>(1)</sup> *Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion 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 price Anchor Investor Allocation Price.*

<sup>(2)</sup> *In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post issue paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.*

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

<sup>(4)</sup> *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*

The Bids by FPIs with certain structures as described under **“Issue Procedure - Bids by FPIs”** beginning on page 296 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.

If the Bid is submitted in joint names, 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 depository account held in joint names. The signature of only the 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. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

## Withdrawal of the Issue

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Bid/ Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Bid/ Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Bid/ Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) filing of Red Herring Prospectus with RoC.

## Issue Program

Event	Indicative Dates
Bid/ Issue Opening Date	[●] <sup>1</sup>
Bid/ Issue Closing Date	[●] <sup>2</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI ID linked bank account	[●]
Credit of Equity Shares to Demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

*Note <sup>1</sup>Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI ICDR Regulations.*

*<sup>2</sup>Our Company in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI (ICDR) Regulations.*

Applications and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Bid-Cum-Application Form.

Standardization of cut-off time for uploading of applications on the Bid/ Issue Closing Date:

- a) A standard cut-off time of 3.00 P.M. for acceptance of applications.
- b) A standard cut-off time of 4.00 P.M. for uploading of applications received from other than retail individual applicants.

c) A standard cut-off time of 5.00 P.M. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by BRLM to NSE within half an hour of such closure.

It is clarified that Bids not uploaded would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum- Application Form, for a particular bidder, the details as per physical Bid- Cum-application form of that Bidder may be taken as the final data for the purpose of allotment. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays).

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## ARTICLES OF ASSOCIATION OF AMBEY LABORATORIES LIMITED

(A COMPANY LIMITED BY SHARES)

### PRELIMINARY

Subject as hereinafter provided the Regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall apply to the Company except in so far as otherwise expressly incorporated herein below.

### I. INTERPRETATION

1. (I) In these regulations-

(a) "the Company" means **Ambey Laboratories Limited**;

(b) "the Act" means the Companies Act, 2013;

(c) "the seal" means the common seal of the company;

(d) "The Articles" means these Article of Association or as altered from time to time;

(e) Words imparting the singular number include, where the context requires, the plural number and vice-versa;

(f) Words imparting the masculine gender include the feminine gender;

(g) "In writing" or "written" means and includes printing, typing, lithographing and other modes of reproducing words in a visible form.

(II) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

### II. SHARE CAPITAL AND VARIATION OF RIGHTS

2. a) The Authorised Share Capital of the company shall be such amounts and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital in accordance with the Company's regulations and legislative provisions for the time being in force on that behalf with the powers to divide the share capital, whether original or increased or decreased into several classes and attach there to respectively such ordinary, preferential or special rights and conditions in such manner as may for the time being be provided by the Regulations of the Company and allowed by law.

b) The minimum paid up Capital of the Company will be Rs. 5,00,000/- (Rupees Five Lac Only).

c) Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

3. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after

allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided, -

(a) one certificate for all his shares without payment of any charges; or

(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

4. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.

5. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in anyway to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

6. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

7. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be atleast two persons holding at least one-third of the issued shares of the class in question.

8. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

9. Subject to the provisions of section 55 and rules made there under, Company may, issue preference shares, which are liable to be redeemed, on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

10. Company may issue and allot Equity shares with differential rights as to dividend, voting or otherwise disproportionate to the rights attaching to other Shares including issuance of shares without any dividend and voting rights in accordance with Section 43 and other applicable provisions of the Act and Rules framed thereunder.

11. Company may issue and allot its shares on Preferential basis in accordance with Section 62 (1) (c) and other applicable provisions of the Act and Rules framed thereunder.

12. Subject to the provisions of section 63 of the Companies Act, 2013, the Company in general meeting may decide to issue fully paid up bonus share to the members if so recommended by the Board of Directors.

### **III. ALTERATION TO MEMORANDUM**

13. The Company shall have the power to alter and amend the clauses of the Memorandum of Association in its general meeting in any manner.

### **IV. LIEN**

14. (i) The company shall have a first and paramount lien-

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

15. The company may sell, in such manner as the Board thinks fit, any shares on which the company has 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.

16. (i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

17. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

#### **V. CALLS ON SHARES**

18. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or byway of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

19. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

20. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

21. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten percent per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

22. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

23. The Board-

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general



meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

## VI. TRANSFER OF SHARES

24. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

25. The Board may, subject to the right of appeal conferred by Section 58 decline to register-

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

26. The Board may decline to recognize any instrument of transfer unless-

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares

27. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

## VII. TRANSMISSION OF SHARES

28. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

29. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

30. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

31. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

#### **VIII. SHARES HELD JOINTLY**

32. If the shares are held in the name of two or more jointly, then the person first named in the Register of Members shall for all the purpose except voting and transfer, be deemed to be sole holder thereof. But the joint holders are severally and jointly liable for all purpose and provisions regarding joint shareholding shall be governed by the Act and rules framed there under.

#### **IX. FORFEITURE OF SHARES**

33. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

34. The notice aforesaid shall-

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

35. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

36. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

37. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

38. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

39. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **X. ALTERATION OF CAPITAL**

40. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

41. Subject to the provisions of section 61, the company may, by ordinary resolution,-

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

42. Where shares are converted into stock,-

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

<p>Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.</p>
<p>(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</p>
<p>(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.</p>
<p>43. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, -</p>
<p>(a) its share capital;</p>
<p>(b) any capital redemption reserve account; or</p>
<p>(c) any share premium account</p>
<p><b>XI. CAPITALISATION OF PROFITS</b></p>
<p>44. (i) The company in its general meeting may, upon the recommendation of the Board, resolve-</p>
<p>(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and</p>
<p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p>
<p>(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards-</p>
<p>(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p>
<p>(b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;</p>
<p>(c) partly in the way specified in sub-clause (A) and partly in that specified in subclause (B);</p>
<p>(d) a securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;</p>
<p>(e) the Board shall give effect to the resolution passed by the company in pursuance of this regulation.</p>
<p>45. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall-</p>

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power-

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

## **XII. BUY -BACK OF SHARES**

46. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

## **XIII. GENERAL MEETINGS**

47. All general meetings other than annual general meeting shall be called extraordinary general meeting.

48. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

## **XIV. PROCEEDINGS AT GENERAL MEETINGS**

49. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

50. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

51. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

52. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

#### **XV. ADJOURNMENT OF MEETING**

53. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### **XVI. VOTING RIGHTS**

54. Subject to any rights or restrictions for the time being attached to any class or classes of shares,-

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

55. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

56. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

57. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

58. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

59. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

60. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

**XVII. PROXY**

61. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

62. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

63. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

**XVIII. BOARD OF DIRECTORS**

64. The number of Directors of the Company shall not be less than three and not more than fifteen and a company may appoint more than fifteen directors after passing special resolution.

The following shall be the first directors of the Company:

1. Mr. Anil Gupta

2. Mr. Kewal Sehgal

65. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them-

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

66. The Board may pay all expenses incurred in getting up and registering the company.

67. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

68. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

69. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

70. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the article. Any Directors so appointed shall hold office up to the date of the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

(iii) Subject to the provisions of Section 161 of the Act, the Board of Directors of a company may appoint a person to act as an alternate director in place of a director who is absent from India for a period not less than 3 (three) months. Such alternate director while so acting shall exercise and discharge all functions and powers and be subject to all the duties and limitations of the Director whom he represents and shall be entitled to receive notice to attend and to vote at Director's meeting. Such alternate director shall not hold office for a period longer than that permissible to the director in whose place he has been appointed and shall vacate the office if and when the director in whose place he has been appointed returns to India.

#### **XIX. PROCEEDINGS OF THE BOARD**

71. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

72. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

73. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

74. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

75. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.



(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
76. (i) A committee may elect a Chairperson of its meetings.
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
77. (i) A committee may meet and adjourn as it thinks fit.
(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
78. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
79. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
<b>XX. CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY</b>
<b>OR CHIEF FINANCIAL OFFICER</b>
80. Subject to the provisions of the Act, -
(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
81. A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.
<b>XXI. BORROWING POWERS</b>
82. Subject to section 73 to 76 and 179 and other applicable provisions of the Act, and Rules made there under and Directions issued by the RBI the directors may, from time to time, raise or borrow any sums of money for and on behalf of the Company from the member or other persons, companies or banks or they may themselves advance money to the company on such interest as may be approved by the Directors.

The Directors may, from time to time, secure the payment of such money in such manner and upon such terms and conditions in all respects as they deem fit and in particular by the issue of bonds or debentures or by pledge, mortgage, charge or any other security on all or any properties of the Company (both present and future) including its uncalled capital for the time being.

## **XXII. THE SEAL**

83. (i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

## **XXIII. DIVIDENDS AND RESERVE**

84. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

85. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

86. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

87. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

88. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

89. (i) Any dividend, interest or other monies payable in cash in respect of shares maybe paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the

register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

90. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

91. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

92. No dividend shall bear interest against the company.

#### **XXIV. OPERATION OF BANK ACCOUNTS**

93. The Directors shall have the power to open bank accounts to sign cheques on behalf of the Company and to operate all banking accounts of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, hundies and bills or may authorise any other person or persons to exercise such powers.

#### **XXV. AUDIT**

94. The Auditor of the Company shall be appointed and the remuneration shall be fixed pursuant to the provisions of Companies Act, 2013.

#### **XXVI. ACCOUNTS**

95. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Board or by the company in general meeting.

#### **XXVII. INSPECTION OF REGISTERS AND EXTRACTS THEREOF**

96. (i) Copies of the registers maintained under section 88 or entries therein and annual return filed under section 92 shall be furnished to any member, debenture-holder, other security holder or beneficial owner of the company or any other person on payment of rupees ten for each page and such copy shall be supplied by the company within a period of seven days from the date of deposit of fee to the company.

(ii) Any member shall be entitled to be furnished, within seven working days after he has made a request in that behalf to the company, with a copy of any minutes of any general meeting, on payment of ten rupees for each page or part of any page.

(iii) The extracts from the register maintained under sub-section (9) of section 186 of the Act may be furnished to any member of the company on payment of ten rupees for each page.

(iv) The company shall provide extracts from register maintained under sub-section (1) of section 184 of the Act, to a member of the company on his request, within seven days from the date on which such request is made upon the payment of ten rupees per page.

**XXVIII. SECRECY**

97. Every manager, auditors' 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 Board of Directions, before entering upon the duties, sign a declaration, pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of accounts with 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 to do so by the Directors or by any general meeting or by the law of the country and except so far as may be necessary in order to comply with any of the provisions in these presents, and the provisions of the Companies Act. 2013

**XXIX. WINDING UP**

98. Subject to the provisions of Chapter XX of the Act and rules made there under-

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

**XXX. INDEMNITY**

99. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

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## SECTION X: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of the draft prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which have been attached to the copy of the prospectus delivered to the ROC for filing, and also the documents for inspection referred to hereunder, may be inspected at our Registered Office at Ground Floor, Property No. 555 Tarla Mohalla, Ghitorni, South West Delhi, New Delhi Delhi, India, 110030 between 10.00 a.m. to 5.00 p.m. on all Working Days from the date of draft prospectus until the Issue Closing Date.

#### A. Material Contracts to the Issue

1. Issue Agreement dated [●] entered into among our Company and the Lead Manager.
2. Agreement dated [●] entered into among our Company and the Registrar to the Issue.
3. Tripartite Agreement dated June 02, 2022 entered into among our Company, NSDL and the Registrar to the Issue.
4. Tripartite Agreement dated October 27, 2023 entered into among our Company, CDSL and the Registrar to the Issue.
5. Banker to the Issue Agreement [●] among our Company, the Lead Manager, Banker to the Issue and the Registrar to the Issue.
6. Market Making Agreement dated [●] between our Company, the Lead Manager and the Market Maker.
7. Underwriting Agreement dated [●] between our Company and the Lead Manager.

#### B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of Incorporation of our Company dated March 20, 1985 issued by Registrar of Companies.
3. Resolution of the Board of Directors of our Company and Equity Shareholders of our Company dated December 26, 2023 January 24, 2024 and respectively, authorizing the Issue and other related matters.
4. Copies of Audited Financial Statements of our Company for the financial year ended October 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021.
5. Peer Review Auditors Report dated 30 January, 2024 on Restated Financial Statements of our Company for the financial year ended October 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021.
6. Copy of Statement of tax possible benefits dated 30 January, 2024 from the Peer Review Auditor included in this draft prospectus.
7. Consents of Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditors, Peer Review Auditor, Legal Advisor to the Issue, Banker to the Issue, Sponsor Bank, Lead Manager, Registrar to the Issue, Underwriter and Market Maker to include their names in the draft prospectus to act in their respective capacities.
8. In-principle listing approval dated [●] from the National Stock Exchange India Limited for listing the Equity Shares on the Emerge Platform of NSE.

9. Due Diligence certificate dated [●] submitted to SEBI after filing the prospectus with ROC.
10. Copy of approval from NSE vide letter dated [●] to use the name of NSE in this Draft Prospectus/ the Prospectus for listing of Equity Shares on Emerge Platform of NSE India.
11. Any of the contracts or documents mentioned in this draft prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance with the provisions contained in the Companies Act, SEBI (ICDR) Regulations and other relevant statutes.

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## SECTION XI: DECLARATION

We certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this draft prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this draft prospectus are true and correct.

### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

NAME OF DIRECTOR	SIGNATURE
Mr. Abdul Quadir DIN: 09781856 Designation: Independent Director	Sd/-
Ms. Rishita Gupta DIN: 07932723 Designation: Director	Sd/-
Mr. Sandeep Bansal DIN: 05305244 Designation: Director	Sd/-
Ms. Sarina Gupta DIN: 08787098 Designation: Whole -time Director	Sd/-
Mr. Roni Soni DIN: 07504677 Designation: Independent Director	Sd/-

### **SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER**

Sd/-

**Ms. Rimple Sarin**

### **SIGNED BY THE CHIEF FINANCIAL OFFICER (CFO)**

Sd/-

**Mr. Sarvar Alam**

**Date: 02.02.2024**

**Place: New Delhi**