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**Draft Red Herring Prospectus**

**Dated: July 19, 2024**

**100% Book Built Issue**

Please read Section 26 and 32 of the Companies Act, 2013

(This Draft Red Herring Prospectus will be updated upon filing with ROC)



**SHIV TEXCHEM LIMITED**

**CORPORATE IDENTIFICATION NUMBER: U24110MH2005PLC152341**

REGISTERED OFFICE		CORPORATE OFFICE		CONTACT PERSON	TELEPHONE AND EMAIL	WEBSITE
Kamla Space, Unit no. 216, 2nd Floor Khira Nagar TPS III, S.V. Road, Santacruz (West) Mumbai – 400054, Maharashtra, India.		602, 6th Floor, Savoy Chambers, Hasmukh Nagar, Santacruz (W) Mumbai, 400 054		Dinky Jain  +91 96195 11788	cs@shivtexchem.com	<a href="http://www.shivtexchem.com">www.shivtexchem.com</a>
<b>PROMOTERS OF OUR COMPANY: VIKAS PAVANKUMAR, HEMANSHU S. CHOKHANI, PAVANKUMAR SANWARIA REALTY PRIVATE LIMITED AND HEMANSHU SYNTAX PRIVATE LIMITED</b>						
<b>DETAILS OF THE ISSUE</b>						
TYPE	ISSUE SIZE	ISSUE PRICE	TOTAL ISSUE SIZE (₹ IN LAKHS)		ELIGIBILITY	
Fresh Issue	Up to 61,05,600 Equity Shares	[●]	Up to 61,05,600 Equity Shares aggregating to ₹[●] lakhs		The Issue is being made pursuant to Regulation 229(2) of Chapter IX of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (“SEBI ICDR Regulations”). As the Company's post issue paid up capital is more than ₹1,000.00 Lakhs and up to ₹2,500.00 Lakhs.	
DETAILS OF ISSUE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES						
<b>RISK IN RELATION TO THE FIRST ISSUE</b>						
This being the first Public Issue of our Company there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10/- each. The issue price/floor price/price band as stated under the chapter titled “Basis for Issue Price” on page 84 of this Draft Red Herring Prospectus should not be taken to be indicative of the market price of the specified securities after the specified securities are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of the Company nor regarding the price at which the Equity Shares will be traded after listing.						
<b>GENERAL RISK</b>						
Investment 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 the issuer and the Issue including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of investors is invited to the section titled ‘Risk factors’ appearing on page 30 of this Draft Red Herring Prospectus						
<b>ISSUER’S ABSOLUTE RESPONSIBILITY</b>						
The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus/ is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.						
<b>LISTING</b>						
The Equity Shares issued through Prospectus are proposed to be listed on the SME Platform of the BSE Limited (“BSE SME”) in terms of the Chapter IX of the SEBI ICDR Regulations, 2018 as amended from time to time. For this Issue, the Designated Stock Exchange will be the BSE Limited (“BSE”).						
<b>BOOK RUNNING LEAD MANAGER TO THE ISSUE</b>						
NAME AND LOGO		CONTACT PERSON		EMAIL AND TELEPHONE		
 Vivro Financial Services Private Limited		Aradhy Rajyaguru/ Kruti Saraiya		Email: <a href="mailto:investors@vivro.net">investors@vivro.net</a> Telephone: +91-226666 8040		
<b>REGISTRAR TO THE ISSUE</b>						
NAME AND LOGO		CONTACT PERSON		EMAIL AND TELEPHONE		
 Link Intime Private Limited		Shanti Gopalkrishna		E-mail: <a href="mailto:shivtexchem.smeipo@linkintime.co.in">shivtexchem.smeipo@linkintime.co.in</a> Telephone: +91 810 811 4949		
<b>BID/ISSUE PERIOD</b>						
ANCHOR BID PERIOD: [●]		BID ISSUE OPENS ON: [●]*		BID ISSUE CLOSES ON: [●]**		

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

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

**SHIV TEXCHEM LIMITED**

CORPORATE IDENTIFICATION NUMBER: U24110MH2005PLC152341

Our Company was originally incorporated as 'Shiv Texchem Private Limited' as a private limited company in Mumbai under the provisions of the Companies, Act, 1956, pursuant to a certificate of incorporation dated March 31, 2005, issued by Registrar of Companies, Maharashtra, Mumbai ("ROC"/"Registrar of Companies"). Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at an Extra-ordinary General Meeting held on June 11, 2024, and the name of the Company was changed to 'Shiv Texchem Limited' and a fresh certificate of incorporation consequent upon conversion dated July 05, 2024 was issued by the Registrar of Companies. For change in the registered office and other details please, see "History and Certain Corporate Matters" on page 126 of this Draft Red Herring Prospectus.

**Registered Office:** Kamla Space, Unit no. 216, 2nd Floor Khira Nagar TPS III, S.V. Road, Santacruz (West) NA Mumbai – 400054, Maharashtra, India

**Corporate Office:** 602, 6th Floor, Savoy Chambers, Hasmukh Nagar, Santacruz (W) Mumbai, 400 054

**Website:** www.shivtexchem.com; **E-Mail:** cs@shivtexchem.com **Telephone No:** +91 96195 11788 **Company Secretary and Compliance Officer:** Dinky Jain

**Corporate Identity Number:** U24110MH2005PLC152341.

<b>PROMOTERS OF OUR COMPANY: VIKAS PAVANKUMAR, HEMANSHU S. CHOKHANI, PAVANKUMAR SANWARIA REALTY PRIVATE LIMITED AND HEMANSHU SYNTAX PRIVATE LIMITED</b>		
<b>THE ISSUE</b>		
<p>INITIAL PUBLIC ISSUE OF UPTO 61,05,600 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH OF SHIV TEXCHEM LIMITED ("STL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] /- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] /- PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO ₹ [●] LAKHS ("THE ISSUE"), OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FOR CASH AT A PRICE OF ₹ [●] /- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] /- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹10/- EACH AT A PRICE OF ₹ [●] /- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] /- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] %, RESPECTIVELY, OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.</p> <p>THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] CIRCULATED HINDI NATIONAL DAILY NEWSPAPER AND REGIONAL EDITION OF [●] REGIONAL NEWSPAPER (MARATHI) REGIONAL LANGUAGE OF MAHARASHTRA WHERE OUR REGISTERED OFFICE IS LOCATED). AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE. FOR FURTHER DETAILS, KINDLY REFER TO THE CHAPTER TITLED "TERMS OF THE ISSUE" ON PAGE 212 OF THIS DRAFT RED HERRING PROSPECTUS.</p>		
<p>In case of any revision in the Price Band, the Bid/Issue Period shall be extended for at least 3 (three) additional Working Days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding 10 (ten) Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of 1 (one) Working Day, subject to the Bid/Issue Period not exceeding 10 (ten) Working Days. Any revision in the Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the change on the website of the BRLM and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank.</p>		
<b>THE FACE VALUE OF THE EQUITY SHARES IS ₹10/- EACH AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE</b>		
<p>This Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50 % of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company, in consultation with the 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 ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, 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 allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net 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 ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilize the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "Issue Procedure" on page 225 of this Draft Red Herring Prospectus.</p>		
<b>ELIGIBLE INVESTORS</b>		
<p>All potential investors shall participate in the Issue through ASBA process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self-Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, please refer to the chapter titled "Issue Procedure" on page 225 of this Draft Red Herring Prospectus.</p>		
<b>RISK RELATION TO THE FIRST ISSUE</b>		
<p>This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10/- each and the Issue Price is [●] times the face value. The Issue Price (determined and justified by our Company in consultation with the Book Running Lead Manager) as stated under chapter titled "Basis for Issue Price" on page 84 of this Draft Red Herring 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.</p>		
<b>GENERAL RISK</b>		
<p>Investment 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 the issuer and the issue including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of investors is invited to the section titled "Risk factors" appearing on page 30 of this Draft Red Herring Prospectus</p>		
<b>ISSUER'S ABSOLUTE RESPONSIBILITY</b>		
<p>Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.</p>		
<b>LISTING</b>		
<p>The Equity Shares issued through Draft Red Herring Prospectus are proposed to be listed on the SME Platform of the BSE Limited ("BSE SME") in terms of the Chapter IX of the SEBI ICDR Regulations, 2018 as amended from time to time. For this Issue, the Designated Stock Exchange will be the BSE Limited ("BSE").</p>		
<b>BOOK RUNNING LEAD MANAGER TO THE ISSUE</b>	<b>REGISTRAR TO THE ISSUE</b>	
<p><b>Vivro Financial Services Private Limited</b> 607/608, Marathon Icon, Opp. Peninsula Corporate Park, Off. Ganpatrao Kadam Marg, Veer Santaji Lane, Lower Parel, Mumbai – 400 013, Maharashtra, India <b>Telephone:</b> +91 22 6666 8040 <b>Email ID:</b> <a href="mailto:investors@vivro.net">investors@vivro.net</a> <b>Investor Grievance ID:</b> <a href="mailto:investors@vivro.net">investors@vivro.net</a> <b>Website:</b> <a href="http://www.vivro.net">www.vivro.net</a> <b>Contact Person:</b> Aradhy Rajyaguru/ Kruti Saraiya <b>SEBI Registration No.:</b> INM000010122 <b>CIN:</b> U67120G1996PTC029182</p>	<p><b>Link Intime India Private Limited</b> C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India. <b>Telephone:</b> +91-810 811 4949 <b>Email ID:</b> <a href="mailto:shivtexchem.smeipo@linkintime.in">shivtexchem.smeipo@linkintime.in</a> <b>Investor Grievance ID:</b> <a href="mailto:shivtexchem.smeipo@linkintime.in">shivtexchem.smeipo@linkintime.in</a> <b>Website:</b> <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> <b>Contact Person:</b> Shanti GopalKrishanan <b>SEBI Registration No.:</b> INR000004058 <b>CIN:</b> U67190MH1999PTC118368</p>	
<b>BID/ISSUE PERIOD</b>		
<b>ANCHOR BID PERIOD: [●]</b>	<b>BID ISSUE OPENS ON: [●]*</b>	<b>BID ISSUE CLOSURES ON: [●]**</b>

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

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

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification shall be to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. Further, the Issue related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.*

*Unless the context otherwise indicates, all references to “the Company” or “our Company” or “Issuer”, are references to Shiv Texchem Limited, a company incorporated under the Companies Act, 1956, and having its Registered Office at 216, 2nd Floor, Kamla Space, Khira Nagar, SV Road, Santacruz (W) Mumbai – 400054. Furthermore, unless the context otherwise indicates, all references to the terms, “we”, “us” and “our” are to our Company and our Subsidiaries (as defined below) on a consolidated basis, as applicable*

*The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the respective rules and regulations made thereunder.*

*Notwithstanding the foregoing, terms in “Statement of Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies”, “Restated Financial Information”, “Other Financial Information”, “Outstanding Litigation and Material Developments” and “Provisions of the Articles of Association”, on page 90, 93, 120, 150, 178, 195, and 265, respectively, will have the meaning ascribed to such terms in those respective sections.*

#### Company and Promoter related terms

Term	Description
AoA / Articles of Association or Articles	The articles of association of our Company, as amended
Audit Committee	The audit committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in “ <i>Our Management – Committees of our Board</i> ” on page 136
Auditors/ Statutory Auditors	The statutory auditors of our Company, currently being, Sundarlal, Desai and Kanodia, Chartered Accountants.
Banker(s) to our Company	The Bank(s) disclosed in the section titled ‘ <i>General Information-Bankers to our Company</i> ’ on page 58 of this Draft Red Herring Prospectus
Board/ Board of Directors	Board of directors of our Company, including all duly constituted committees thereof. For further details of our directors, please refer to chapter titled “ <i>Our Management – Board of Directors</i> ”, on page 129
Dun & Bradstreet Report	Industry Report on ‘Petrochemicals’ dated July 12, 2024 prepared by Dun & Bradstreet Information Services India Private Limited and is available on our Company’s website at <a href="http://www.shivtexchem.com">www.shivtexchem.com</a>
Chairman and Managing Director	The chairman and managing director of the Company, being Vikas Pavankumar
Chief Financial Officer/CFO	Chief Financial Officer of our Company, being Hemanshu S. Chokhani
Company Secretary and Compliance Officer	Company Secretary and Compliance Officer of our Company, being Dinky Jain
Corporate Office	The Corporate Office of our Company located at 602, 6 <sup>th</sup> Floor, Savoy Chambers, Hasmukh Nagar, Santacruz (W) Mumbai, 400 054, Maharashtra, India

<b>Term</b>	<b>Description</b>
CSR Committee/ Corporate Social Responsibility Committee	Corporate social responsibility committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013, and as described in “ <i>Our Management – Committees of our Board</i> ” on page 136
Director(s)	Directors on our Board as described in “ <i>Our Management– Board of Directors</i> ”, on page 129
EBITDA	Earnings before tax expenses, interest costs and depreciation and amortization expenses
EBITDA margin	EBITDA margin is calculated as EBITDA divided by total income.
Equity Shares/ Shares	The equity shares of our Company of face value of ₹ 10 each unless otherwise specified in the context thereof
Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of the Company.
Executive Director(s)	Executive Directors shall include Managing Director and Whole-time Directors(s) on our Board, as described in “ <i>Our Management– Board of Directors</i> ”, on page 129
Group Companies	Such companies / entities as covered under the applicable accounting standards and such other companies as considered material by the Board. For details of our Group Companies / entities, please refer “ <i>Our Group Companies</i> ” on page 148 of this Draft Red Herring Prospectus.
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
Indian GAAP	Generally Accepted Accounting Principles in India
Independent Directors	Independent directors on our Board, and who are eligible to be appointed as independent directors under the provisions of the Companies Act and the SEBI Listing Regulations. For details of the Independent Directors, please see “ <i>Our Management– Board of Directors</i> ” on page 129
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.
KMP/ Key Managerial Personnel	Key managerial personnel of our Company in accordance with Regulation 2(1) (bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 as applicable and as further disclosed in “ <i>Our Management- Key Managerial Personnel</i> ” on page <b>Key Managerial Personnel of our Company</b> 141
Key Performance Indicators/ KPI	Key factors that determine the performance of our Company
MD or Managing Director	the Managing Director of our Company is Vikas Pavankumar.
Materiality Policy	The policy adopted by our Board in its meeting held July 08, 2024, for identification of material: (a) outstanding litigation proceedings; (b) creditors; and (c) group companies, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus
MoA/ Memorandum of Association	The memorandum of association of our Company, as amended from time to time
Non-Executive Director	The non-executive directors (other than the Independent Directors) of our Company in terms of the Companies Act, and the rules thereunder. For details, see section titled “ <i>Our Management – Board of Directors</i> ” on page 129 of this Draft Red Herring Prospectus.
Nomination and Remuneration Committee	Nomination and remuneration committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in “ <i>Our Management – Committees of our Board</i> ” on page no. 136

<b>Term</b>	<b>Description</b>
PAT	Net Profit After Tax as per Restated Financial Statements
PAT margin	PAT margin is calculated as PAT divided by total income.
Promoter Group	Such individuals and entities which constituting the promoter group of our Company, pursuant to Regulation 2(1) (pp) of the SEBI ICDR Regulations and as disclosed in “ <i>Our Promoters and Promoter Group</i> ” on page 143
Promoters	The Promoters of our Company, being Vikas Pavankumar, Hemanshu S. Chokhani, Pavankumar Sanwaria Realty Private Limited and Hemanshu Syntex Private Limited. For further details, please see “ <i>Our Promoters and Promoter Group</i> ” on page 143
Registered Office	The registered office of our Company, located at Kamla Space, Unit no. 216, 2nd Floor Khira Nagar TPS III, S.V. Road, Santacruz (West) Mumbai – 400054, Maharashtra, India
Restated Financial Statements/ Financial Information	The restated financial statement of our Company comprises of the restated financial Statements of our Company, which comprise of the restated Balance Sheet as at March 31, 2024, March 31, 2023 and March 31, 2022, the restated statements of profit and loss, the restated statement of cash flows for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, read together with summary statement of significant accounting policies, annexures and notes thereto prepared in accordance with the Section 26 of Part I of Chapter III of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, and the Guidance Note on ‘Reports in Company Prospectuses (Revised 2019)’ issued by the Institute of Chartered Accountants of India, each as amended
ROCE	Return on Capital Employed. It is calculated as Earnings before Interest and Tax divided by Average Capital Employed as per the restated financial statement
ROE / RoNW	Return on equity / Return on Net Worth. It is calculated as profit after tax divided by average adjusted net worth as per restated financial statement
RoC/Registrar of Companies	The Registrar of Companies, Mumbai
Shareholder(s)	Shareholders of our Company, from time to time
Stakeholders Relationship Committee	Stakeholders’ relationship committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in “ <i>Our Management – Committees of our Board</i> ” on page 136
Whole-time Director(s)	The whole-time director(s) of our Company, being Hemanshu S. Chokhani, Shyamsundar Chokhani and Neha Hemanshu Chokhani

### Conventional and General Terms and Abbreviations

<b>Term</b>	<b>Description</b>
₹/ Rs./ Rupees/ INR	Indian Rupees.
AIF(s)	Alternative Investment Funds as defined in and registered with SEBI under the SEBI AIF Regulations.
ASBA	Applications Supported by Blocked Accounts
Authorized Dealers	Authorized Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000
Banking Regulation Act	Banking Regulation Act, 1949.
BSE	BSE Limited
CAGR	Compounded annual growth rate.
Category I AIF	AIFs registered as “Category I alternative investment funds” under the SEBI AIF Regulations.
Category I FPIs	FPIs registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations.
Category II AIF	AIFs registered as “Category II alternative investment funds” under the SEBI AIF

<b>Term</b>	<b>Description</b>
	Regulations.
Category II FPIs	An FPI registered as a Category II Foreign Portfolio Investor under the SEBI FPI regulations
Category III AIF	AIFs registered as “Category III alternative investment funds” under the SEBI AIF Regulations.
Category III FPIs	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices.
CDSL	Central Depository Services (India) Limited.
CGST	Central GST
CIN	Corporate Identification Number.
CLRA	Contract Labour (Regulation and Abolition) Act, 1970.
Companies Act, 1956	The erstwhile Companies Act, 1956 read with the rules, regulations, clarifications and modifications thereunder.
Companies Act	Companies Act, 2013 read with rules, regulations, clarifications and modifications thereunder.
Competition Act	The Competition Act, 2002.
Consolidated FDI Policy	The Consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time.
Consumer Protection Act	The Consumer Protection Act, 2019.
Contract Act	The Indian Contract Act, 1872
CSR	Corporate social responsibility.
CST	Central sales tax.
Depositories Act	Depositories Act, 1996, read with the rules, regulations, clarifications and modifications thereunder.
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
DGFT	Director General of Foreign Trade, Ministry of Commerce.
DIN	Director Identification Number.
DP/Depository Participant	A depository participant as defined under the Depositories Act.
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India.
DTC	Direct Tax Code, 2013
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EBITDA margin	EBITDA divided by total income
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
Electricity Act	The Electricity Act, 2003
Environment Protection Act	The Environment (Protection) Act, 1986
EPF Act	The Employee’s Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings per share.
e-RUPI	Prime Minister Narendra Modi launched a contactless, prepaid, electronic prepaid system
ER Act	The Equal Remuneration Act, 1976
EU	European Union.
FCNR	Foreign Currency Non-Resident.
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment.
FDI Circular	The Consolidated FDI Policy Circular dated October 15, 2020 issued by the DPIIT

<b>Term</b>	<b>Description</b>
	(formerly Department of Industrial Policy & Promotion).
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
Financial Year/Fiscal/Fiscal Year	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.
FII(s)	Foreign Institutional Investors as defined under SEBI FPI Regulations
FIPB	Foreign Investment Promotion Board
FPIs	Foreign portfolio investor registered with SEBI pursuant to the SEBI FPI Regulations.
FTA	Foreign Trade (Development and Regulation) Act, 1992 and the rules framed thereunder FVCI.
FVCI	Foreign venture capital investors registered with SEBI pursuant to the SEBI FVCI Regulations.
GAAP	Generally Accepted Accounting Principles
GoI/Central Government	The Government of India.
Gratuity Act	The Payment of Gratuity Act, 1972
GST	The Goods and Services Tax.
HUF(s)	Hindu undivided family(ies).
ICAI	Institute of Chartered Accountants of India.
ICAI Guidance Note	Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as updated from time to time.
ICSI	Institute of Company Secretaries of India
IE Act	The Indian Easements Act, 1882
IFRS	International Financial Reporting Standards issued by the International Accounting Standard Board.
Income Tax Act	Income-tax Act, 1961.
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act.
Ind AS 24	Indian Accounting Standard 24, “Related Party Disclosures”, notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015.
Ind AS 37	Indian Accounting Standard 37, “Provisions, Contingent Liabilities and Contingent Assets”, notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015.
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015.
Indian GAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
ISIN	International Securities Identification Number
IST	Indian Standard Time.
IT Act	Information Technology Act, 2000.
IPO	Initial Public Offering
KMP	Key Managerial Personnel
KPI	Key Performance Indicator.
KYC	Know Your Customer.
Ltd.	Limited
MCA/Ministry of Corporate	The Ministry of Corporate Affairs, Government of India.
MCI	Ministry of Commerce and Industry, GoI



<b>Term</b>	<b>Description</b>
MEIS	Merchant Export from India Scheme.
MHI	The Ministry of Heavy Industries, Government of India.
MoF	Ministry of Finance, GoI
MSME	Micro, Small or a Medium Enterprise.
MSMED	The Micro, Small and Medium Enterprises Development Act, 2006
MOU	Memorandum of Understanding
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House.
NBFC-SI/ Systemically Important NBFCs	A systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
NCLT	National Company Law Tribunal.
NI Act	The Negotiable Instruments Act, 1881
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NR	Non-Resident
NRE	Non-Resident External.
NRE Account	Non-Resident External Account established and operated in accordance with the FEMA
NRI	Non-Resident Indian
NRO	Non-Resident Ordinary.
NRO Account	Non-Resident Ordinary Account established and operated in accordance with the FEMA
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent account number.
Patents Act	Patents Act, 1970.
PAT	Profit After Tax
PAT Margin	PAT for the period/ year divided by revenue from operations
PIL	Public Interest Litigation
PLI	Production Linked Incentive.
POB Act	Payment of Bonus Act, 1965
PPP	Public Private Partnership
Public Liability Act/ PLI Act	The Public Liability Insurance Act, 1991
Pvt. / (P)	Private
PWD	Public Works Department of state governments
QFI(s)	Qualified Foreign Investor(s) as defined under the SEBI FPI Regulations
QIC	Quarterly Income Certificate
RBI	Reserve Bank of India.
Regulation S	Regulation S under the U.S. Securities Act.
R & D	Research and Development
Registration Act	The Indian Registration Act, 1908
RoDTEP	Remission of Duties and Taxes on Exported Products.
RoC or Registrar of Companies	The Registrar of Companies
ROCE	Return on Capital Employed

<b>Term</b>	<b>Description</b>
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement.
Rule 144A	Rule 144A under the U.S. Securities Act.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SCORES	SEBI complaints redress system.
SEBI	Securities and Exchange Board of India, constituted under section 3 of 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 FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI RTA Master Circular	SEBI master circular bearing number SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
SEBI VCF Regulations	The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.
Sec.	Section
SGST	State GST
SHWW/ SHWW Act	The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SME	Small and Medium Enterprise
STT	Securities Transaction Tax.
TAN	Tax deduction account number.
Trademarks Act	Trademarks Act, 1999.
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America.
U.S. QIBs	Persons that are “qualified institutional buyers”, as defined in Rule 144A.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
US\$/USD/US Dollar	United States Dollar.
USA/U.S./US	United States of America.
VAT	Value added tax.
VCF	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 (now repealed) or the SEBI AIF Regulations, as the case may be.
Water Act	Water (Prevention and Control of Pollution) Act, 1974.
Wages Act	Payment of Wages Act, 1936
WCA	The Workmen’s Compensation Act, 1923
Willful Defaulter	Willful defaulter as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations.

## Issue Related Definitions

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf 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 relevant Designated Intermediary(ies) to the Bidder as proof of registration of the Bid cum Application Form
Allocation/ Allocation of Equity Shares	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Fresh Issue.
Allot/Allotment/Allotted	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Fresh Issue.
Allotment Advice	The note or advice or intimation of Allotment sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
Allottee(s)	A successful Bidder to whom the Equity Shares are being/ have been Allotted.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus, and who has Bid for an amount of at least ₹ 200.00 lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors according to the terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, in consultation with the Book Running Lead Manager during the Anchor Investor Bid/ Issue Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion, and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bid/ Issue Period	The date, one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which Book Running Lead Manager will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed.
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company, in consultation with the Book Running Lead Manager.
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/Issue Closing Date.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Manager, to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company, in consultation with the BRLM, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
Application	An indication to make and application during the Issue Period by a Bidder/ 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 Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company.

<b>Term</b>	<b>Description</b>
ASBA/Application Supported by Blocked Amount	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorize an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism.
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 UPI Bidder which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidder using the UPI Mechanism.
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidders	All Bidders except Anchor Investors.
ASBA Form	An application form, whether physical or electronic, is used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Banker(s) to the Issue	Collectively, the Escrow Collection Bank(s), the Refund Bank(s), the Public Issue Account Bank(s) and the Sponsor Bank(s), as the case may be.
Basis of Allotment	Basis on which the Equity Shares will be Allotted to successful Bidders under the Issue, is described in “ <i>Issue Procedure</i> ” on page 225.
Bid(s)	An indication by an ASBA Bidder to make an Issue during the Bid/Issue Period pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of the Anchor Investor Application Form, to subscribe to or purchase Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form. The term ‘Bidding’ shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form, and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Issue, as applicable. In the case of Retail Individual Investors Bidding at the Cut off Price, the Cap Price is multiplied by the number of Equity Shares Bid for by such Retail Individual Investors and mentioned in the Bid cum Application Form.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and all editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located), and in case of any revision, the extended Bid/Issue Closing Date shall also be widely disseminated by notification to the Stock Exchanges by issuing a public notice and also by indicating the change on the respective websites of the BRLM and at the terminals of the Members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as required under the SEBI ICDR Regulations.
Bid/Issue Opening Date	Our Company, in consultation with the Book Running Lead Manager, may 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. Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of [●] (a widely circulated English national daily

<b>Term</b>	<b>Description</b>
	newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper) and all editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located), and in case of any revision, the extended Bid/Issue Opening Date also be widely disseminated by notification to the Stock Exchanges by issuing a public notice and also by indicating the change on the respective websites of the Book Running Lead Manager and at the terminals of the Members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as required under the SEBI ICDR Regulations.
Bid/Issue Period	Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders ( <b>excluding Anchor Investors</b> ) can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company, in consultation with the BRLM, may 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.
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Draft Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder and an Anchor Investor.
Bidding	The process of making a Bid.
Bidding Centers	Centers at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Members of the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
Book Running Lead Managers/BRLM	The book running lead manager to the Issue, being Vivro Financial Services Private Limited
Broker Centers	Broker centers are notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges at <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> .
BSE SME	SME Platform of BSE Limited (“BSE SME”)
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to each successful Applicant, who has been or is to be Allotted the Equity Shares, after approval of the Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price and Anchor Investor Issue Price will not be finalized and above which no Bids will be accepted. The Cap Price shall be at least [●] % of the Floor Price and shall be less than or equal to [●] % of the Floor Price.
Cash Escrow and Sponsor Bank Agreement	The agreement to be entered into amongst our Company, the Syndicate Members, the Registrar to the Issue, the BRLM, and the Banker(s) to the Issue for, among other things, collection of the Bid Amounts from the Anchor Investors, transfer of funds to the Public Issue Account(s), and where applicable, remitting refunds, if any, to such Bidders, on the terms and conditions thereof.
CDP(s)/Collecting Depository Participant(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and other applicable circulars issued by SEBI as per the lists available on the websites of the Stock Exchanges at <a href="http://www.bseindia.com">www.bseindia.com</a> and

<b>Term</b>	<b>Description</b>
	www.nseindia.com, as updated from time to time.
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
Collecting Registrar and Share Transfer Agents	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI as per the lists available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time.
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate Application Forms by the ASBA Bidders with the Registrar to the Issue and Stock Exchanges and a list of which is available at <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.
Cut-Off Price	Issue Price, which shall be any price within the Price Band, finalized by our Company, in consultation with the BRLM. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
Cut-Off Time	For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on after the Bid/Issue Closing Date.
D&B	The Industry Report provider, being Dun & Bradstreet Information Services India Private Limited
D&B Report	Industry Report on 'Petrochemicals' from D&B dated July 12, 2024
Demographic Details	The details of the Bidders including the Bidder's address, PAN, name of the Bidder's father/husband, investor status, occupation, bank account details and UPI ID, as applicable.
Depository/ Depositories	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations 1996
Depository Participant/ DP	A depository participant as defined under the Depositories Act, 1996
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com as updated from time to time.
Designated Date	The date on which the funds from the Escrow Account are transferred to the Public Issue Account(s) or the Refund Account, as appropriate, and the relevant amounts blocked in the ASBA Accounts are transferred to the Public Issue Account(s) and/or are unblocked, as applicable, in terms of the Red Herring Prospectus and the Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Equity Shares will be Allotted in the Issue.
Designated Intermediary(ies)	SCSBs, Syndicate, Sub-syndicate, Registered Brokers, CDPs and RTAs who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Issue.
Designated Market Maker	In our case [•]
Designated RTA Locations	Such locations of the RTAs where ASBA Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com, respectively) as updated from time to time.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms used by the Bidders, a list of which is available on the website of SEBI at www.sebi.gov.in , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	The SME Platform of BSE Limited

<b>Term</b>	<b>Description</b>
Draft Red Herring Prospectus/DRHP	This draft red herring prospectus dated July 19, 2024 filed with the SME Platform of BSE in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue, including any addenda or corrigenda thereto.
DP ID	Depository Participant's Identity number
Eligible NRI	NRI(s) from jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the Bid Cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants.
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank and in whose favor Anchor Investors will transfer the money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount while submitting a Bid.
Escrow and Sponsor Bank Agreement	Agreement dated [●] entered into amongst the Company, Book Running Lead Manager, the Registrar, the Banker to the Issue and Sponsor bank to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
Escrow Collection Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, and with whom the Escrow Accounts in relation to the Issue for Bids by Anchor Investors will be opened, in this case being [●].
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 or sole Bidder	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalized and below which no Bids will be accepted,
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations.
Foreign Venture Capital Investor	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 or QFI 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.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.
General Corporate Purposes	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the Issue document. Provided that any issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the Issue document.
General Information Document/GID	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, issued by SEBI and the UPI Circulars, as amended from

Term	Description
	time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLM.
Issue Closing Date	The date on which the Issue closes for subscription.
Issue Opening Date	The date on which the 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 bidders can submit their applications, including any revisions thereof
Issue Proceeds	The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please see the chapter titled “ <i>Objects of the Issue</i> ” on page79 of this Draft Red Herring Prospectus
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the Stock Exchange.
Lot Size	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants.
Market Making Agreement	Market Making Agreement dated [●], between [●]
Market Making Reservation Portion	[●] Equity Shares of ₹10.00 each at ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakh reserved for subscription by the Market Maker.
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=4-0">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=4-0</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism.
Minimum Promoters’ Contribution	Aggregate of 20% of the fully diluted Post- Issue Equity Share capital of our Company held by our Promoters which shall be provided towards minimum promoters of 20% and locked- in for a period of three years from the date of Allotment.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Mutual Fund Portion	The portion of the Issue being 5% of the Net QIB Portion consisting of [●] Equity Shares of face value of ₹ 10 each which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Net Issue	The Issue excluding the Market Maker Reservation Portion of upto [●] Equity Shares of face value of ₹ 10 each fully paid up for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating ₹ [●] Lakh by our Company.
Net Proceeds	Proceeds of the Issue less Issue expenses.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non-Institutional Category/ Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue consisting of [●]Equity Shares of face value of ₹ 10 each, available for allocation to Non-Institutional Investors, of which one-third shall be available for allocation to Bidders with an application size of more than ₹ [●]and up to ₹ [●]and two-thirds shall be available for allocation to Bidders with an application size of more than ₹ [●], provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors subject to valid Bids being received at or above the Issue Price.
Non-Institutional Investors/NIIs /Non-Institutional Bidders/NIBs	Bidders that are not QIBs or RIIs and who have Bid for Equity Shares for an amount more than ₹ 2 Lakh (but not including NRIs other than Eligible NRIs).
NPCI	National Payments Corporation of India
NRI/Non-Resident Indian	Person resident outside India, as defined under FEMA and includes non-resident Indians, FVCIs and FPIs.



<b>Term</b>	<b>Description</b>
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.
OCB/ Overseas Corporate Body	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue
Issue Agreement	The agreement dated July 19, 2024, among our Company, and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The final price at which Equity Shares will be Allotted to successful ASBA Bidders in terms of the Red Herring Prospectus which will be decided by our Company, in consultation with the BRLM, on the Pricing Date, in accordance with the Book-Building Process and in terms of the Red Herring Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price, which will be decided by our Company, in consultation with the BRLM, on the Pricing Date, in accordance with the Book-Building Process and in terms of the Red Herring Prospectus.
Pay-in-Period	The period commencing on the Bid/Issue Opening date and extended till the closure of the Anchor Investor Pay-in-Date.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.
Person or 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.
Price Band	The price band ranging from the Floor Price of ₹ [●] per Equity Share of face value of ₹ 10 each to the Cap Price of ₹ [●] per Equity Share of face value of ₹ 10 each, including any revisions thereto. The Price Band and minimum Bid Lot, as decided by our Company, in consultation with the BRLM, 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) and all editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located), at least two Working Days prior to the Bid/Issue Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company, in consultation with the BRLM, will finalize the Issue Price.
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, and the SEBI ICDR Regulations containing, inter alia, the Issue Price, the size of the Issue and certain other information, including any addenda or corrigenda thereto.
Public Issue Account(s)	The bank account(s) opened with the Public Issue Account Bank(s) under Section 40(3) of the Companies Act, to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date.
Public Issue Account Bank(s)	Bank(s) which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Issue Account(s) will be opened.
QIB Portion	The portion of the Issue being not more than 50% of the Issue or [●] Equity Shares of face value of ₹ 10 each, available for allocation to QIBs (including Anchor

<b>Term</b>	<b>Description</b>
	Investors) on a proportionate basis (in which allocation to Anchor Investors shall be on a discretionary basis, as determined by our Company, in consultation with the BRLM), subject to valid Bids being received at or above the Issue Price.
QIBs/Qualified Institutional Buyers	A qualified institutional buyer as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations.
Red Herring Prospectus/RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Issue Price and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the ROC at least three Working Days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the ROC after the Pricing Date.
Refund Account(s)	The 'no lien' and 'non-interest bearing' account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made.
Refund Bank(s)	Bank which is/ are clearing member(s) and registered with the SEBI as the Banker to the Issue with whom the Refund Account(s) will be opened, in this case being [●].
Registered Brokers	Stockbrokers registered with SEBI under the Securities and Exchange Board of India (Stockbrokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012, and other applicable circulars issued by SEBI.
Registrar Agreement	The agreement dated July 16, 2024 entered into between our Company, and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar to the Issue /Registrar	Link Intime India Private Limited
Retail Individual Investor(s)/RII(s)/Retail Individual Bidder(s)/RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount which is not more than ₹ 2,00,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRI Bidders) and does not include NRIs (other than Eligible NRIs).
Retail Portion/Retail Category	The portion of the Issue being not less than [●] of the Issue consisting of [●] Equity Shares of face value of ₹ 10 each, available for allocation to Retail Individual Investors as per the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date.
RTAs/Registrar and Share Transfer Agents	The registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the list available on the websites of BSE and NSE, and the UPI Circulars
Securities laws	Means the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder, and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board.
SME Exchange	The SME Platform of BSE Limited
Self-Certified Syndicate Bank(s)/SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=</a>

Term	Description
	<p><a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">34</a> or <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">35</a> or such other website as updated from time to time, and (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time. Applications through UPI in the Issue can be made only through the SCSBs mobile applications (<b>apps</b>) whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI Mechanism is appearing in the “list of mobile applications for using UPI in Public Issues” displayed on SEBI website at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a>. The said list shall be updated on SEBI website from time to time.</p>
Specified Locations	Bidding centers where the Syndicate shall accept ASBA Forms from Bidders, a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time.
Specified Securities	Equity shares offered through this Draft Red Herring Prospectus.
Sponsor Bank(s)	[●], being Banker(s) to the Issue, appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and/or payment instructions of UPI Bidders using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars.
Stock Exchanges	BSE Limited
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLM and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Syndicate Agreement	The agreement to be entered into between our Company, the Registrar to the Issue, the BRLM and the Syndicate Members in relation to the procurement of Bids by the Syndicate
Syndicate Member(s)	[●].
Syndicate/Members of the Syndicate	Together, the BRLM and the Syndicate Members.
Transaction Registration Slip/ TRS	The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application.
Underwriter	The Underwriter to the Issue, being Vivro Financial Services Private Limited
Underwriting Agreement	The agreement dated July 19, 2024 between the Underwriters and our Company.
UPI	Unified Payments Interface, which is an instant payment mechanism, 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 Bidders	Collectively, individual investors applying as Retail Individual Investors in the Retail Portion, individuals applying as Non-Institutional Investors with a Bid Amount of up to ₹ 5,00,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism.
	<p>Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹ 5,00,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent</p>

<b>Term</b>	<b>Description</b>
	(whose name is mentioned on the website of the stock exchange as eligible for such activity).
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 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/CIR/P/2021/2480/1/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 no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 (to the extent these circulars are not rescinded by the SEBI RTA Master Circular), SEBI master circular with circular number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, SEBI RTA Master Circular (to the extent it pertains to UPI) and any subsequent circulars or notifications issued by SEBI in this regard, along with the circulars issued by the Stock Exchanges in this regard, including the circular issued by the NSE having reference number 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or Stock Exchanges in this regard.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI application, by way of a SMS directing the UPI Bidder to such UPI application) to the UPI Bidder initiated by the Sponsor Bank(s) 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 an RII to make an Application in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018 read with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 and SEBI circular (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 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.
UPI PIN	Password to authenticate UPI transaction.
Willful Defaulter	Willful defaulter as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations.
Working Day(s)	All days on which commercial banks in Mumbai, Maharashtra, India are open for business; provided, however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, the expression “Working Day” shall mean all days on which commercial banks in Mumbai, Maharashtra, India are open for business, excluding all Saturdays, Sundays or public holidays; and (c) with reference to the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, the expression ‘Working Day’ shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, in terms of the circulars issued by SEBI.

## Industry and Business Related Terms or Abbreviations

Term	Description
APIs	Active Pharmaceutical Ingredients
ATF	Aviation Turbine Fuel
BCD	Basic Customs Duty
BIS	Bureau of Indian Standards
Bn	Billion
CAGR	Compound Annual Growth Rate
CBIC	Central Board of Indirect Taxes and Customs
CSR	Corporate Social Responsibility
CVD	Countervailing Duty
D&B	Dun & Bradstreet Information Services India Private Limited
D&B Report / Dun & Bradstreet Report	Industry report on “Petrochemicals” dated July 12, 2024, issued by Dun & Bradstreet Information Services India Private Limited
DGFT	The Directorate General of Foreign Trade
FY	Financial Year ending on immediate March 31
GDP	Gross Domestic Product
GST	Goods and Services Tax
HSD	High-Speed Diesel
IIP	Indian Institute of Packaging
IMF	International Monetary Fund
KG	Krishna Godavari
LPG	Liquefied Petroleum Gas
MMT	Million Metric Tonnes
MS	Motor Spirit
MT	Metric Ton
MTPA	Million Tons per Annum
OIL	Oil India Limited
ONGC	Oil and Natural Gas Corporation
OPEC+	Organization of the Petroleum Exporting Countries along with Russia
PIAI	Packaging Industry Association of India
PLI	Production Linked Incentives
PNGRB	Petroleum and Natural Gas Regulatory Board
PVC	Polyvinyl Chloride
R&D	Research and Development
SAD	Special Additional Duty
USD	United Stated Dollar
UV	Ultra-violet
WEO	World Economic Outlook

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

### **Certain Conventions**

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

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time ("IST"). Unless indicated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

In this Draft Red Herring Prospectus, the terms "we", "us", "our", "the Company", "our Company", "Issuer", "Issuer Company", unless the context otherwise indicates or implies, refer to "**Shiv Texchem Limited**".

### **Financial Data**

Unless the context otherwise requires or indicates, the financial information in this Draft Red Herring Prospectus has been derived from our Restated Financial Information of our Company for the financial years ended March 31, 2024, 2023 and 2022, prepared in accordance with Indian GAAP and the Companies Act, and restated in accordance with the SEBI ICDR Regulations, set out in the section titled "*Financial Information*" on page 150 of this Draft Red Herring Prospectus. Our Restated Financial Information are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and have been restated in accordance with the SEBI ICDR Regulations. For further information, please see the section titled "*Financial Information*" on page 150 of this Draft Red Herring Prospectus.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. In addition, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. accordingly, all references to a particular financial year or fiscal, unless stated otherwise, are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Reference in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year is to the 12 months ended on March 31 of such year, unless otherwise specified. Unless stated otherwise, or the context requires otherwise, all references to a "year" in this Draft Red Herring Prospectus are to a calendar year.

The Restated Financial Information of our Company, which comprises the Restated Balance Sheet, the Restated Statement of profit and loss, the Restated Statement of cash flows for the Financial Years ended on March 31, 2024, 2023, and 2022 along with the summary statement of significant accounting policies read together with the annexures and notes thereto prepared in terms of the requirements of Section 32 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.

There are significant differences between Indian GAAP, Ind AS, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company's financial data. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Indian GAAP, the Companies Act

and SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and laws on the financial disclosures presented in this Draft Red Herring Prospectus should be limited. There are significant differences between Indian GAAP, Ind AS, U.S. GAAP and IFRS. Our Company does not provide a conciliation of its financial statements with IFRS or U.S. GAAP requirements. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 30, 111 and 179 respectively, of this Draft Red Herring Prospectus, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements of our Company, prepared in accordance with Indian GAAP, and the Companies Act and restated in accordance with the SEBI ICDR Regulations

### **Non-GAAP measures**

Certain non-GAAP measures presented in this Draft Red Herring Prospectus such as Net Asset Value per Equity Share, EBITDA, EBITDA Margin, EBIT, Cash Profit after Tax, Capital Employed, Return on Capital Employed, Return on Equity, Current Ratio, Debt to Equity Ratio, and Adjusted Net Worth (collectively “*Non-GAAP Measures*”) are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the year / period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures and other statistical and other information relating to our operations and financial performance, may not be computed on the basis of any standard methodology that is applicable across the industry and, therefore, a comparison of similarly titled Non-GAAP Measures or statistical or other information relating to operations and financial performance between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting their usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, we compute and disclose them as our Company’s management believes that they are useful information in relation to our business and financial performance.

For the risks relating to Non-GAAP Measures, see “*Risk Factors – We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under Indian GAAP*” on pages 58 of this Draft Red Herring Prospectus.

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

All references to:

- “₹” or “Rupees” or “INR” or “Rs” are to Indian Rupees, the official currency of the Republic of India.
- “US\$”, “U.S. Dollar”, “USD” or “U.S. Dollars” or “\$” are to United States Dollars, the official currency of the United States of America.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in lakhs, except where specifically indicated. One lakh represents 1,00,000. However, where any figures that may have been sourced from third party industry sources are expressed in denominations other than lakhs in their respective sources, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in such respective sources.

In this Draft Red Herring 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”.

## Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Red Herring Prospectus have been obtained from the report on “Petrochemicals” dated July 12, 2024 (“**D&B Report**” or “**Dun & Bradstreet Report**”), which has been prepared by Dun & Bradstreet Information Services India Private Limited (“**D&B**”). For risks in relation to commissioned reports, see “*Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risk*” on page 39 of this Draft Red Herring Prospectus. Further, D&B, vide their consent letter dated July 12, 2024 (“**Letter**”) has accorded their no objection and consent to use the D&B Report. D&B, vide their Letter has also confirmed that they are an independent agency, and confirmed that it is not related to our Company, our Directors, our Promoter, our Key Managerial Personnel, our Senior Management or the BRLM. The Report is also available on the website of our Company at [www.shivtexchem.com](http://www.shivtexchem.com).

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors. Accordingly, investment decisions should not be based solely on such information.

## Exchange Rates

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

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

Currency <sup>(1)</sup>	Exchange rate as on March 31, 2024*	Exchange rate as on March 31, 2023*	Exchange rate as on March 31, 2022*
1 USD	83.37	82.22	75.81

\* If the RBI reference rate is not available on a particular date due to a public holiday, the previous working day not being a public holiday has been considered.

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

Note: The reference rates are rounded off to two decimal places.



## FORWARD-LOOKING STATEMENTS

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

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. This could be due to risks or uncertainties associated with expectations relating to, and including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, changes in the incidence of any natural calamities and/ or violence, regulations and taxes and changes in competition in the industries in which we operate. Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

1. We derive a significant part of our revenue from a group of select products. If we fail to offer any of these products, our business, financial condition and results of operations may be adversely affected.
2. Our operations are heavily dependent on industries where products are supplied, which includes paints and coatings, printing inks, agro-chemical products, specialty polymers, pharmaceuticals products, specialty industrial chemicals, etc..
3. We do not have long term agreements with our customers and rely on purchase orders for delivery of our products. Loss of one or more of our customers or a reduction in their demand for our products could adversely affect our business, results of operations and financial condition.
4. Our business is working capital intensive involving high level of inventories and trade receivables. We require substantial financing for our business operations. Our indebtedness and the conditions and restrictions imposed on by our financing arrangements could adversely affect our ability to conduct our business.
5. There are pending litigations against our Company, certain of our Promoters, and our Directors. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business, results of operations and financial condition
6. Our inability to accurately forecast demand or price for our products and to manage our inventory may adversely affect our business, results of operations and financial condition.
7. We have partially hedged or in some cases not hedged our foreign currency exposure, which may cause a negative impact to our business and financial conditions in case of fluctuations of foreign currency.
8. We are dependent on third party transportation providers for the supply and distribution of our products. Any failure or delay in such transportation and logistics arrangements could materially affect our business, our operations and financial condition
9. Any positive development in import substitution policies may lead to decrease in our import capabilities, decreasing our business opportunity and impacting our cash flow
10. Quality of product is very important in our industry and the success of our Company is dependent on the quality of our product and any failure to source products with desired quality may have an adverse effect on our reputation and business.
11. Our insurance coverage may not be adequate to protect us against certain operating and financial loss and this may have a material adverse effect on our business and cash flow.
12. We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.
13. Our Company’s logo is not registered as on date of Draft Red Herring Prospectus. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of

- third-party intellectual property rights.
14. Our success depends in large part upon our management team and skilled personnel and our ability to attract and retain such people. The loss of key personnel may have an adverse effect on our business, results of operations, financial condition, cash flow and growth prospects.
  15. Our registered office and storage facilities premises are being utilised by us on leasehold basis and we are subject to terms and conditions imposed on us by the lessor. In any event we are unable to renew such leasehold rights, our business, financial condition and results of operations may be adversely affected.

For details regarding factors that could cause actual results to differ from expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 30, 111 and 179 respectively of this Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to Applicants that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Applicants are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

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

In accordance with the SEBI ICDR Regulations, our Company and the BRLM will ensure that the Applicants in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Equity shares pursuant to the Issue.

## SUMMARY OF DRAFT RED HERRING PROSPECTUS

The following is a general summary of the terms of the Issue and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring 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 Red Herring Prospectus, including “Risk Factors”, “The Issue”, “Capital Structure”, “Objects of the Issue”, “Industry Overview”, “Our Business”, “Financial Information”, “Outstanding Litigation and Material Developments”, “Issue Procedure”, and “Provisions of the Articles of Association” on pages 30 49, 64, 79, 93, 111, 150, 195 225 and 265, respectively of this Draft Red Herring Prospectus.

a) **Summary of Business**

Our Company is primarily engaged in the business of importing and distributing hydrocarbon-based chemicals that are crucial raw materials for a wide range of industries including paints, coatings, printing inks, agro-chemicals, polymers, pharmaceuticals, and industrial chemicals. Serving as preferred sourcing partners, we aggregate customer orders and engage with global producers and suppliers to negotiate pricing, specifications, quantities, and delivery schedules.

*For further details, please refer chapter titled “Our Business” on page 111 of this Draft Red Herring Prospectus*

b) **Summary of Industry**

India has been one of the largest consumers of chemicals & petrochemical products in Asia Pacific region for the bulk of the last 10 – 15 years. The rapid growth in India’s manufacturing infrastructure during this time period have created strong demand for a wide range of chemical & petrochemical input materials and intermediates. As India became one of the fastest growing economies in the world, the annual growth in demand for chemical & petrochemical input materials and intermediates too increased at a fast clip.

*For further details, please refer chapter titled “Industry Overview” on page 93 of this Draft Red Herring Prospectus*

c) **Name of Promoter**

The Promoters of our Company are Vikas Pavankumar, Hemanshu S. Chokhani, Pavankumar Sanwaria Realty Limited and Hemanshu Syntex Private Limited for detailed information on our Promoter and Promoter’s Group, please refer to Chapter titled “Our Promoter and Promoter’s Group” on page 143 of this Draft Red Herring Prospectus.

d) **Issue Size**

<b>Issue<sup>(1)</sup></b>	Issue of 61,05,600 Equity Shares of ₹10 each for cash at a price of ₹[●] per Equity Share (including premium of ₹[●] per Equity Share) aggregating to ₹ [●] lakhs)
<b>Out of which</b>	
<b>Market Reservation Portion</b>	<b>Maker</b>
	[●] Equity Shares of ₹ [●] each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating to ₹ [●] lakhs.
<b>Net Issue to the Public</b>	[●] Equity Shares of ₹ [●] each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating to ₹ [●] lakhs.

*(1) The Issue has been authorized by our Board pursuant to resolution passed at its meeting held on July 11, 2024 and the Issue has been authorized by our Shareholders pursuant to a special resolution passed on July 11, 2024*

The price band will be decided by our company in consultation with the BRLM and will be advertised in all

editions of the English national newspaper, all editions of the Hindi national newspaper and regional language newspaper, each with wide circulation, at least 2 (two) working days prior to the bid/ issue opening date with the relevant financial ratios calculated at the floor price and the cap price and shall be made available to the SME platform of BSE, for the purpose of uploading on their website for further details kindly refer to chapter titled “Terms of the Issue” on page 212 of this Draft Red Herring Prospectus.

For further details, see “The Issue”, “Issue Structure”, and “Issue Procedure” on page 49, 221 and 225 of this Draft Red Herring Prospectus.

e) **Objects of the Issue**

The fund requirements for each of the Object of the Issue are stated as below:

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

<b>Objects</b>	<b>Amount (₹ in lakhs)</b>
Gross proceeds of the Issue <sup>^</sup>	Up to [●]*
Less: Estimated Issue related expenses	[●]
<b>Net Proceeds of the Issue (Net Proceeds)*</b>	<b>[●]</b>

<sup>^</sup>Assuming full subscription and allotment

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

**Utilisation of the Net Proceeds**

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

<b>Sr. No.</b>	<b>Objects</b>	<b>Amount which will be financed from Net Proceeds (₹ in lakhs)</b>	<b>Proposed schedule for deployment of Net Proceeds Fiscal 2025</b>
1.	Utilization towards long term working capital requirements of our Company	7,500.00	7,500.00
2.	General Corporate Purposes*	[●]	[●]
	<b>Total Net Proceeds<sup>^</sup></b>	<b>[●]</b>	<b>[●]</b>

\*To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds from the Issue

<sup>^</sup>Assuming full subscription and subject to finalization of the basis of allotment

For further details, see “Objects of the Issue” on page 79 of this Draft Red Herring Prospectus

f) **Aggregate Pre-Issue shareholding of our Promoters and Promoter Group**

As on date of this Draft Red Herring Prospectus, the aggregate Pre-Issue shareholding of our Promoters and Promoter Group, as a percentage of the Pre-Issue paid-up Equity Share capital of our Company is set out below:

<b>Sr. No.</b>	<b>Name of the Shareholder</b>	<b>No. of Equity Shares</b>	<b>% of pre issue Equity Share Capital</b>
<b>A</b>	<b>Promoters</b>		
1	Pavankumar Sanwaria Realty Private Limited	63,91,960	37.45
2	Hemanshu Syntex Private Limited	27,92,000	16.36
3	Hemanshu S. Chokhani <sup>(1)</sup>	8,000	0.05
4	Vikas Pavankumar	8,000	0.05
	<b>Sub Total (A)</b>	<b>91,99,960</b>	<b>53.91</b>

Sr. No.	Name of the Shareholder	No. of Equity Shares	% of pre issue Equity Share Capital
<b>B</b>	<b>Promoter Group</b>		
1	Karan Wilkhoo	42,66,712	25.00
2	Manjudevi Shyamsundar Chokhani <sup>(2)</sup>	16,00,000	9.37
3	Shyamsundar Chokhani <sup>(3)</sup>	12,00,000	7.03
4	Shyamsundar Chokhani HUF	8,00,000	4.69
	<b>Sub-Total (B)</b>	<b>78,66,712</b>	<b>46.09</b>
	<b>Total (A+B)</b>	<b>1,70,66,672</b>	<b>100.00</b>

Note: <sup>(1)</sup> Jointly held with Manjudevi Shyamsundar Chokhani

<sup>(2)</sup> Jointly held with Shyamsundar Chokhani

<sup>(3)</sup> Jointly held with Manjudevi Shyamsundar Chokhani

#### g) Summary of Financial Statements

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

*(₹ in lakhs, except per share data)*

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Equity share capital	213.33	160.00	160.00
Net worth	19,287.69	12,276.39	10,673.68
Total revenue (including other Income)	1,53,668.79	1,11,866.98	86,547.46
Profit/(loss) after tax	3,011.30	1,602.72	1,386.48
Earning per Equity Shares	165.42	100.17	163.64
Net Asset value per Equity Shares (in ₹)*	904.11	767.27	667.10
Total borrowings (including current maturities of long-term borrowings)	29,665.25	32,914.39	12,034.33

\*without giving effect of bonus shares issued in ratio of 7:1 on July 11, 2024

The Company financial statements are available on the website of the Company at [www.shivtexchem.com](http://www.shivtexchem.com).

#### h) Qualifications of the Auditors which have not been given effect in the Restated Financial Statements

Our Statutory Auditor has not made any qualifications in the examination report that have not been given effect in the Restated Financial Statements.

#### i) Summary of Outstanding Litigation

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

Name of Entity	Criminal Proceedings	Tax Proceeding	Statutory or Regulatory Proceedings	Material Civil Litigation	Aggregate amount involved
<b>Company</b>					
Against our Company	Nil	Nil	Nil	1	\$ 1,637,950
By our Company	1	N.A.	N.A.	Nil	₹1,59,74,562

Name of Entity	Criminal Proceedings	Tax Proceeding	Statutory or Regulatory Proceedings	Material Civil Litigation	Aggregate amount involved
<b>Directors (Other than Promoters)</b>					
Against our Director	Nil	2	Nil	Nil	₹7,44,095
By our Director	Nil	N.A.	N.A.	Nil	Nil
<b>Promoters</b>					
Against our Promoters	Nil	Nil	Nil	Nil	Nil
By our Promoters	Nil	2	Nil	1	₹ 1,96,868
<b>Subsidiaries</b>					
By our Subsidiaries	N.A.	N.A.	N.A.	N.A.	NA
Against our Subsidiaries	N.A.	N.A.	N.A.	N.A.	NA

For further details on the outstanding litigation proceedings, see “*Outstanding Litigation and Material Developments*” on page 195 of this Draft Red Herring Prospectus.

j) **Risk Factors**

For further details, see “*Risk Factors*” on page 30 of the Draft Red Herring Prospectus.

k) **Summary of Contingent Liabilities**

A summary of contingent liabilities derived from the Restated Financial Statements are as follows:

Particulars	(₹ in lakhs)		
	March 31, 2024	March 31, 2023	March 31, 2022
Bank Guarantee given by Bankers on behalf of the Company	0.00	150.00	150.00
Bills Payables (Letter of Credit & Buyers Credit) with Bank	10,465.74	7,795.14	1,399.90
<b>Total</b>	<b>10,465.74</b>	<b>7,945.14</b>	<b>1549.90</b>

For further details, see “*Restated Financial Information*” on page 150 of the Draft Red Herring Prospectus.

l) **Summary of Related Party Transactions**

Sr No	Particulars	Key managerial Personnel			Relatives of Key managerial Personnel			Associates			Enterprise under the control of Key Managerial Personnel		
		March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022
1	Transactions during the year												
A	Directors Remuneration	96.00	96.00	94.00	-	-	-	-	-	-	-	-	-
B	Interest on loans	15.88	12.18	8.34	43.68	32.85	27.18	3.42	3.22	3.03	12.91	32.64	37.57
C	Rent Paid	12.60	13.50	18.00	-	-	-	-	-	-	-	-	-
2	Balances at the end of the year												
A	Loan given	173.21	158.63	120.64	474.70	437.24	405.02	36.50	34.68	32.56	114.90	103.28	676.31

m) **Financing arrangements**

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

n) **Weighted average price at which the Equity Shares were acquired by our Promoters in the one year preceding the date of this Draft Red Herring Prospectus**

Sr. No.	Name of Promoter	No. of Equity Shares Acquired during the last one year**	Weighted Average Price*^ (₹ per equity share)
1.	Vikas Pavankumar	8,000 <sup>#</sup>	93.75
2.	Hemanshu S. Chokhani <sup>(1)</sup>	7,000	Nil**
3.	Pavankumar Sanwaria Realty Private Limited	55,92,965	Nil**
2.	Hemanshu Syntex Private Limited	24,43,000	Nil**

\*The weighted average cost of acquisition of Equity Shares by our Promoter has been calculated by taking into account the amount paid by them to acquire and Shares allotted to them as reduced by the amount received on sell of shares i.e. net of sale consideration is divided by net quantity of shares acquired.

^As certified by M/s. Sundarlal, Desai & Kanodia, Chartered Accountants, by way of their certificate dated July 19, 2024

<sup>#</sup>Includes bonus allotment

\*\*Equity Shares acquired pursuant to bonus shares. For further details refer to "Capital Structure" on page 64

(1) Jointly held with Manjudevi Chokani

o) **Average Cost of Acquisition of Equity Shares by our Promoters**

Sr. No.	Name of Promoter	No. of Equity Shares Acquired	Average Cost per Equity Shares (₹ per equity share)*^
1.	Vikas Pavankumar	8,000	93.75
2.	Hemanshu S. Chokhani <sup>(1)</sup>	8,000	Negligible <sup>#</sup>
3.	Pavankumar Sanwaria Realty Private Limited	63,91,960	101.89
4.	Hemanshu Syntex Private Limited	27,92,000	2.99

\*giving effect of bonus shares issued in ratio of 7:1 on July 11, 2024

<sup>#</sup>as the value is below 0.01

^As certified by M/s. Sundarlal, Desai & Kanodia, Chartered Accountants, by way of their certificate dated July 19, 2024

(1) Jointly held with Manjudevi Chokani

p) **Pre – IPO Placement**

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

q) **Issuances of Equity Shares made in the last one year for consideration other than cash**

The details of allotment of 1,49,33,338 Equity Shares made on July 11, 2024 by way of Bonus Issue in ratio of 7:1 i.e., 7 (Seven) New Equity Shares for every 1(One) Equity Shares, are as follows:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)
1.	Pavankumar Sanwaria Realty Private Limited	55,92,965	10	Nil*
2.	Karan Wilkhoo	37,33,373	10	Nil*
3.	Hemanshu Syntex Private Limited	24,43,000	10	Nil*

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)
4.	Manjudevi Shyamsundar Chokhani <sup>(1)</sup>	14,00,000	10	Nil*
5.	Shyamsundar Chokhani <sup>(2)</sup>	10,50,000	10	Nil*
6.	Shyamsundar Chokani HUF	7,00,000	10	Nil*
7.	Vikas Pavankumar	7,000	10	Nil*
8.	Hemanshu S. Chokhani <sup>(3)</sup>	7,000	10	Nil*

Note: <sup>(1)</sup> Jointly held with Shyamsundar Chokhani

<sup>(2)</sup> Jointly held with Manjudevi Shyamsundar Chokhani

<sup>(3)</sup> Jointly held with Manjudevi Shyamsundar Chokhani

\*Nil as Bonus Issue

- r) Our Company has not undertaken any consolidation of Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.
- s) As of the date of the Draft Red Herring Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.



## SECTION II - RISK FACTORS

*An investment in the Equity Shares involves a high degree of financial risk. Investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any of the following risks, as well as other risks and uncertainty discussed in this Draft Red Herring Prospectus, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flow and financial condition could suffer, the price of the Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. Investors should consult their tax, financial and legal advisors about particular consequences to them of an investment in the Issue. 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 risk associated with our Company. However, there are certain risk factors where the financial impact is not quantifiable and therefore, such financial impact cannot be disclosed in such risk factors. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.*

*To obtain a better understanding of our business, you should read this chapter in conjunction with other sections of this Draft Red Herring Prospectus, including the chapters titled “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operation”, “Industry Overview” and “Financial Statements” on pages 111, 179, 93 and 150, respectively of this Draft Red Herring Prospectus. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus.*

*This Draft Red Herring Prospectus also contains forward-looking statements, s that involves risks, uncertainties and other factors. Our actual results could differ materially from those anticipated in these forward-looking statements, which may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. For further details, see “Forward-Looking Statements” on page 22 of this Draft Red Herring Prospectus.*

*Unless otherwise stated, the financial information in this chapter is derived from our Restated Financial Statements for the financial years ended March 31, 2024, 2023 and 2022 as included in “Restated Financial Statements” on page 150 of this Draft Red Herring Prospectus.*

### MATERIALITY

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

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

### BUSINESS RELATED RISKS

#### I. Internal Risks

1. ***We derive a significant part of our revenue from a group of select products. If we fail to offer any of these products, our business, financial condition and results of operations may be adversely affected.***

We are primarily in the business of importing and distribution of hydrocarbon-based chemicals of the product family viz. Acetyls, Alcohol, Aromatics, Nitriles, Monomers, Glycols Phenolic, Ketones, and Isocyanates, which are critical raw materials and inputs for manufacturing of paints and coatings, printing inks, agro-chemical products, specialty polymers, pharmaceuticals products and specialty industrial chemicals. Over the past three Fiscals, we have expanded our product portfolio from offering 21 products in Fiscal 2022 to

39 products by Fiscal 2024. The contribution of top 5 and top 10 products in our total revenue from operations is as under:

Sr. No.	Particulars	Revenue Contribution (₹ in lakhs)	Total Revenue (₹ in lakhs)	Percentage of the revenue contribution
1.	<b>Fiscal 2024</b>			
	Top 5 Products	74,073.80	1,53,490.41	48.26%
	Top 10 Products	1,13,734.76	1,53,490.41	74.10%
2.	<b>Fiscal 2023</b>			
	Top 5 Products	64,286.44	1,11,759.06	57.52%
	Top 10 Products	91,686.70	1,11,759.06	82.04%
3.	<b>Fiscal 2022</b>			
	Top 5 Products	69,082.49	85,865.83	80.45%
	Top 10 Products	82,636.54	85,865.83	96.24%

While we have reduced our dependency on selected products by expanding our products portfolio, we expect that we will continue to derive a significant portion of our revenue from the group of selected products. Accordingly, any failure on our part to procure and deliver these products efficiently to our customers as per their requirements or not deliver at all, could adversely affect our business, financial condition, reputation and results of operations.

2. ***Our operations are heavily dependent on industries where products are supplied, which includes paints and coatings, printing inks, agro-chemical products, specialty polymers, pharmaceuticals products, specialty industrial chemicals, etc..***

We are primarily engaged in the business of importing and distribution of hydrocarbon-based chemicals of the product family viz. Acetyls, Alcohol, Aromatics, Nitriles, Monomers, Glycols Phenolic, Ketones, and Isocyanates, which are critical raw materials and inputs and have application across wide spectrum of industries like paints and coatings, printing inks, agro-chemical products, specialty polymers, pharmaceuticals products and specialty industrial chemicals. Our revenue from operations is directly linked to the performance of the industries in which our products finds application.

A slowdown in growth of end-use industry customer may adversely affect our revenue from operations. While we believe we are adequately diversified in order to reduce our dependency on selected industries, we cannot assure you that our results of operations and financial conditions would not be adversely impacted in case of any slowdown in the industries in which our products are used.

Our future performance will depend to a significant extent on the overall performance of the industries in which our products are used, which may get affected by a number of macro and micro economic conditions, and other factors including (i) government policies; (ii) disruption/ disturbance in shipping channels; and (iii) prevailing regulatory environment.

In relation to other end-use industries, the demand for our products and margin of our products is dependent on and directly affected by factors affecting such industries. Accordingly, our failure to effectively adapt to such end-use industry related disruptions, could adversely affect our business, results of operations and financial condition.

3. ***We do not have long term agreements with our customers and rely on purchase orders for delivery of our products. Loss of one or more of our customers or a reduction in their demand for our products could adversely affect our business, results of operations and financial condition.***

We do not enter into long-term agreements with our customers. We rely on purchase orders to govern the volume and other terms of our sale of products to our customers. Many of the purchase orders we receive from our customers specify a price per unit and the delivery schedule. While we believe that our relationship with our customers has been built over time and few of our customers have conferred the status of a preferred

supplier on us, resulting in repeat orders from such customers, our relationship with our customers is on a non-exclusive basis and accordingly, our customers may choose to cease sourcing our products and source alternative options which exposes us to a significant increased risk of customer attrition. Absence of any long-term contracts or contractual exclusivity with respect to our business arrangements with such customers poses a challenge on our ability to continue to supply our products to these customers in future. Further, the number of purchase orders that our customers place with us differ from quarter to quarter, which has caused our revenues, results of operations and cash flows to fluctuate in the past and we expect this trend to occasionally continue in the future.

Additionally, our customers have high and stringent standards for product quantity and quality as well as delivery schedules and any failure to meet our customers' expectations and specifications could result in cancellation of orders or the risk of the customer not placing any subsequent orders or might place orders for lesser quantity. There are also a number of factors, other than our performance, that could cause the loss of a customer such as, (a) increase in prices of chemicals and other costs resulting in an increase in the price of our products; (b) changes in customer requirements and preferences; (c) changes in governmental or regulatory policy; (d) slowdown in the customer's industry due to any reasons; and (e) change in technology. Any of these factors may have an adverse effect on our business, results of operations and financial condition.

**4. *Our business is working capital intensive involving high level of inventories and trade receivables. We require substantial financing for our business operations. Our indebtedness and the conditions and restrictions imposed on by our financing arrangements could adversely affect our ability to conduct our business.***

We operate on high volume and low margin business model which require us to invest substantial sum in working capital requirements of the Company. Majority of the working capital funds of our Company are blocked due to high inventories and trade receivable level in line with high revenue from operations. As on March 31, 2024, our Company's net working capital (total current assets less total current liabilities) amounted to ₹ 25,800.88 Lakhs as against ₹ 18,120.80 lakhs as on March 31, 2023, and ₹ 16,427.34 lakhs as on March 31, 2022. As on the date of this Draft Red Herring Prospectus, we meet our working capital requirements in the ordinary course of its business from capital, internal accruals, unsecured loans, working capital loans from the Banks etc. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and investors interest in the Company and could adversely impact our Equity Share price.

Our working capital requirements may be affected due to factors beyond our control including force majeure conditions, delay or default of payment by our clients, non-availability of funding from banks or financial institutions. Accordingly, such working capital requirements may not be indicative of the actual requirements of our Company in the future and investors are advised not to place undue reliance on such estimates of future working capital requirements. In the last three (3) financial years, our Company has been able to raise funding from bank as and when the need has arisen and has never delayed and defaulted its financial commitments. However, any failure to service our indebtedness, perform any condition or covenant or comply with the restrictive covenants could lead to a termination of one or more of our credits which may adversely affect our ability to conduct our business and have a material adverse effect on our financial condition and results of operations. We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our planned capital expenditure, our business, results of operations and financial condition.

**5. *There are pending litigations against our Company, certain of our Promoters, and our Directors. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business, results of operations and financial condition.***

Our Company is involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals or other governmental authorities. The amounts claimed

in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally from us and other parties. Should any new developments arise, such as any change in applicable Indian law or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and current liabilities. Any adverse decision in such legal proceedings may have a material adverse effect on our business, financial condition, results of operations and cash flows.

A summary of outstanding litigation proceedings involving our Company, our Promoters, our Directors and our Group Company as on the date of this Draft Red Herring Prospectus and as disclosed in the section titled “*Outstanding Litigation and Other Material Developments*” in terms of the requirements under the SEBI ICDR Regulations is provided below:

Name of Entity	Criminal Proceedings	Tax Proceeding	Statutory or Regulatory Proceedings	Material Civil Litigation	Aggregate amount involved
<b>Company</b>					
Against our Company	Nil	Nil	Nil	1	\$ 1,637,950
By our Company	1	N.A.	N.A.	Nil	₹1,59,74,562
<b>Directors (Other than Promoters)</b>					
Against our Director	Nil	2	Nil	Nil	₹7,44,095
By our Director	Nil	N.A.	N.A.	Nil	Nil
<b>Promoters</b>					
Against our Promoters	Nil	2	Nil	Nil	₹1,96,868
By our Promoters	Nil	Nil	Nil	1	Not Quantifiable
<b>Subsidiaries</b>					
By our Subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.
Against our Subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.

Further, except as disclosed in “*Outstanding Litigation and Other Material Developments*” on page 195. We do not have any subsidiaries, due to which the litigations with respect to our subsidiaries have not been included.

If any of these outstanding litigations are decided against our Company, Promoters, Directors or Group Companies, as the case may be, we may need to make provisions in our financial statements that could increase our expenses and current liabilities. In this regard, we may be subject to penalties and regulatory actions including the suspension of our business. There can be no assurance that these litigations will be decided in favor of our Company or in the favor of our Promoter, Directors or Group Company, and such proceedings may divert management time and attention and consume financial resources in their defense or prosecution. An adverse outcome in any of these proceedings may affect our reputation, standing and future business, and could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

**6. *Our inability to accurately forecast demand or price for our products and to manage our inventory may adversely affect our business, results of operations and financial condition.***

While we forecast the demand and price for our products and accordingly, plan our purchase volumes, any error in our forecast could result in a reduction in our profit margins and surplus inventory, which may result in additional storage cost and such surplus inventory may not be sold in a timely manner, or at all.

If we overestimate our demand, we may incur costs to build storage capacity or purchase more products than required. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, and financial condition. Our ability to maintain as well as expand our international operations is dependent on us providing our products at prices competitive with international as well as local traders.

Further, our business is dependent on robust supply chain management. To that extent, if any of our competitors are able to garner a better and more cost-efficient supply network, they may be able to provide their products at competitive prices as compared to us. Our inability to price our products correctly at the applicable prices may affect the demand for our products and consequently have a material adverse effect on the results of operations and financial condition.

**7. *We have partially hedged or in some cases not hedged our foreign currency exposure, which may cause a negative impact to our business and financial conditions in case of fluctuations of foreign currency.***

We have partially hedged or, in some cases, not hedged our exposure to foreign currency fluctuations, related to our import of chemicals for sale in the Indian market. As a result, fluctuations in exchange rates may adversely impact our business and financial condition. Unfavorable movements in foreign exchange rates could lead to increased costs for imported raw materials, thereby reducing our profit margins and affecting our competitiveness. Moreover, inadequate hedging against currency risks exposes us to potential financial losses, which could negatively impact our cash flow, liquidity position, and overall financial performance.

**8. *We are dependent on third party transportation providers for the supply and distribution of our products. Any failure or delay in such transportation and logistics arrangements could materially affect our business, our operations and financial condition***

Our business requires smooth supply and transportation of the products which we import and supply to our customers. We are dependent on third-party transportation and logistics providers for various forms of transportation such as sea borne and roads.

For imports, our Company uses services of vessel owners globally for loading of bulk liquid chemical from various major ports and unloading of bulk liquids in our storage tank which are subject to various bottlenecks and evaporation loss beyond our control. We may experience disruption in the transportation of products by ship and delivery of the products to our customers due to bad weather conditions.

We do not have formal contractual relationships with such transportation or logistic companies and freight forwarders. Transportation strikes may also have an adverse effect on supplies and deliveries to and from our customers and suppliers. In addition, products may be lost or damaged in transit for various reasons including theft, occurrence of accidents or natural disasters. This may lead to a delay in delivery of our products which may also affect our business and the results of our operations negatively. A failure to maintain a continuous supply of chemicals or to deliver our products to our customers in an efficient, timely and reliable manner could have a material and adverse effect on our business, financial condition and results of operations. Though such material events have not taken place in the past, any recompense received from insurers or third-party transportation providers may be time consuming and insufficient to cover the cost of any delays and further may not be able to repair our relationships with our affected customers. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third-party transportation providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

**9. *Any positive development in import substitution policies may lead to decrease in our import capabilities, decreasing our business opportunity and impacting our cash flow***

We face potential risks associated with import substitution policies in India. These policies aim to promote

domestic production by reducing reliance on imported goods through various incentives and regulations. The implementation of such policies could adversely affect our business model, as they may encourage local manufacturers to produce substitutes for the products we import. This could lead to increased competition from domestic suppliers offering lower prices or better terms, thereby affecting our market share and profitability.

Furthermore, sudden shifts in government policies towards import substitution could disrupt our supply chain and procurement strategies, leading to uncertainties in sourcing products at competitive prices. In addition, increased bureaucratic procedures or trade barriers aimed at promoting domestic manufacturing could lead to delays or additional costs in importing goods, further impacting our operational efficiency and financial performance.

As we navigate the dynamic regulatory environment in India, we remain vigilant in assessing and mitigating the risks associated with import substitution policies to sustain our competitive edge and ensure continued growth in the Indian market.

As such, any import substitution policy, may decrease our imports capabilities which in turn may limit our business opportunities and decrease our cash flow.

**10. *Quality of product is very important in our industry and the success of our Company is dependent on the quality of our product and any failure to source products with desired quality may have an adverse effect on our reputation and business.***

We believe that our success is dependent on the sourcing quality products which suit the requirements of our customers. We endeavour to source the products which have desired and superior quality to meet the customers expectation. We believe that we have built strong relationships with our suppliers to ensure to provide the products with consistent specification. In case there are any instances of receiving deteriorated products, for any reason whatsoever, our business, reputation and results of operations and our long-standing relationships with our customers would be affected adversely.

**11. *Our insurance coverage may not be adequate to protect us against certain operating and financial loss and this may have a material adverse effect on our business and cash flow.***

Our company has obtained insurance coverage in respect of certain risks which consists of Marine Export Import Insurance Open Policy, Marine Inland (Open) Insurance Policy and Marine Sales Turnover Policy/EXIM Policy. Notwithstanding the insurance coverage that we carry, we may not be fully insured against certain business risks. There are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, financial condition and results of operations could be adversely affected.

We have obtained insurance coverage for our inventory, and while we are satisfied that our insurance coverage is consistent with industry norms, if any or all of our inventory are damaged in whole or in part and/or its operations are interrupted for a sustained period, there can be no assurance that its insurance policies will be adequate to cover the losses that may be incurred as a result of such events. If we suffer a large uninsured loss, or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition, cash flows and results of operations may be adversely affected.


In addition, our insurance coverage is generally subject to periodic renewal. In the event that premium levels increase, we may not be able to obtain the same levels of coverage in the future as we currently have or we may only be able to obtain such coverage at substantially higher cost. If we are unable to pass these costs on to our customers, the costs of higher insurance premiums could adversely affect our financial condition, cash flows and results of operations. Alternatively, we may choose not to insure, which, in the event of any damage or destruction to our facilities or defects to our products, could adversely affect our business, financial

condition, cash flows and results of operations.

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

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

13. ***Our Company's logo is not registered as on date of Draft Red Herring Prospectus. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third-party intellectual property rights.***

As on date of Draft Red Herring Prospectus, we have not registered our logo  under the Trademarks Act, 1999, hence, we do not enjoy the statutory protections accorded to a registered logo. We cannot assure you that any application for registration of our logo in future by our Company will be granted by the relevant authorities in a timely manner or at all. Further, there can be no assurance that third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. We may not be able to detect any unauthorized use or our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly, and the outcome cannot be guaranteed. For further details of our logo. Please refer to chapter "Government Approvals- Intellectual Property" on page 199 of this Draft Red Herring Prospectus.

14. ***Our success depends in large part upon our management team and skilled personnel and our ability to attract and retain such people. The loss of key personnel may have an adverse effect on our business, results of operations, financial condition, cash flow and growth prospects.***

Our Company's performance heavily relies on the expertise and services of our Directors and Key Managerial Personnel (KMP). Their role in shaping our strategic direction and managing operations is crucial for our future growth. The loss of these key individuals and challenges in recruiting suitable replacements could significantly impact our customer relationships, technical expertise, and operational efficiency. The competitive job market in India, especially in our industry, makes it difficult to attract and retain skilled personnel. Even with higher compensation, we may struggle to compete for talent, affecting our ability to carry out our operations smoothly and maintain customer satisfaction.

Moreover, keeping pace with evolving standards and changing customer preferences requires continuous redeployment and retraining of employees. Our inability to do so, or a high attrition rate among our employees, including management and operational staff, could lead to decreased productivity, loss of market knowledge, and increased operational costs. Further, if we are unable to retain or attract such personnel or are unable to locate suitable or qualified replacements, our results of operations may be adversely affected. We may require a long period of time to hire and train replacement personnel when qualified personnel resign from their employment with our Company. These factors could materially and adversely affect our business prospects, financial condition, cash flows, and operational results. For detailed information about our management, refer to the chapter "Our Management" on page 129 of this Draft Red Herring Prospectus.

15. ***Our registered office and storage facilities premises are being utilised by us on leasehold basis and we are subject to terms and conditions imposed on us by the lessor. In any event we are unable to renew such leasehold rights, our business, financial condition and results of operations may be adversely affected.***

Our registered office in Mumbai is taken on leasehold basis from the Mrs. Manjudevi Shyamsundar Chokhani

vide a lease and license agreement executed on April 1, 2021, for a term of 60 months, ending on March 30, 2026. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements and we cannot assure that we will be able to identify and move to new premises within a reasonable period of time and/ or that new arrangements will be on commercially acceptable terms.

Further, we have entered into agreement with certain third parties for storage and handling of certain our products. The use of the storage facility is, therefore, subject to terms and conditions imposed on us by the counterparty, which may be unilaterally amended and our ability to negotiate terms may be limited. We will be required to obtain the consent / approval for any future construction or modification of any structure or building other than the existing storage facility. In any case, if the agreement is not renewed or is terminated, we may be required to relocate or curtail our business and suffer a significant disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations, cash flows and financial condition.

**16. *Our business operates on a high volume, low margin model, which may impact our profit margins and affect our cashflows.***

Our business operates under a high volume, low margin model, which exposes us to specific risks inherent in this strategy. This model relies on generating significant sales volumes to offset lower per-unit profit margins. While this approach can enhance market penetration and revenue generation, it also entails several inherent challenges.

Firstly, maintaining consistent sales volumes is crucial to achieving profitability. Any fluctuations in demand or disruptions in supply chain logistics could adversely affect our ability to sustain sufficient revenue levels to cover operating costs and achieve profitability targets. Moreover, intense competition within our industry may exert pressure on pricing, potentially leading to margin compression and reduced profitability margins.

Additionally, economic downturns or market shifts could exacerbate these challenges, as consumers and businesses may reduce spending or seek lower-cost alternatives. Such conditions could adversely impact our sales volumes and operational efficiency, thereby posing a risk to our financial health and sustainability.

**17. *We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business operations, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations. We are also required to be in compliance with various laws that are applicable to us, and any non-compliance may have a material adverse effect on our business, financial condition or results of operation.***

Our operations are subject to extensive government regulations, and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business.

The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Some of our licenses and approvals are also subject to timely renewal. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In addition, these registrations, approvals or licenses are liable to be cancelled or sale of products may be restricted. In case any of these registrations, approvals or licenses are cancelled, or its use is restricted, or are not renewed within the stipulated time-frame, then it could adversely affect our results of operations or growth prospects.

For detailed information about permits and approvals, refer to the chapter “*Government and Other Approvals*” on page 199 of this Draft Red Herring Prospectus.



**18. *Any penalty or demand raised by statutory authorities in future will affect our financial position of our Company.***

Our Company is primarily engaged in the business of import and distribution hydrocarbon chemicals which attracts tax liability such as Customs duty, GST, Income Tax, as per the applicable provisions of Law. We are also subject to labour laws and depositing contributions with Provident Fund, etc. Though we have deposited the required returns under various applicable Acts, any demand or penalty raised by the concerned authority in future for any previous year and current year will affect the financial position of our Company.

**19. *We are dependent on credit facilities from banks, to fund our business operations. Any event where we are unable to obtain, renew or enhance credit limits from the banks, or repay such facilities obtained, would affect our financial position and credit standing.***

We rely on various credit facilities from banks to finance our operations, including working capital requirements. The inability to renew existing credit facilities, obtain additional financing, or enhance current credit facilities due to changes in banking regulations, adverse economic conditions, or our financial performance could adversely affect our cash flow, operations, and overall financial condition. A failure to secure necessary financing could constrain our ability to meet our financial obligations, fund future growth initiatives, and manage day-to-day operations effectively.

As on March 31, 2024, our total indebtedness (short-term as well as long-term) from 13 banks stood at ₹ 29,665.25 lakhs. We may need to avail further loans in the future and if we are unable to do so, or unable to repay the loans, it could potentially impact on our financial stability, operational capabilities and credit standing. For further information, please refer section titled “*Financial Indebtedness*” on page 189 of this Draft Red Herring Prospectus.

**20. *We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under Indian GAAP***

We have included certain financial and operational measures in this Draft Red Herring Prospectus, which we believe to be non-GAAP financial measures (“**Non-GAAP Measures**”) and KPIs, in accordance with the SEBI ICDR Regulations. We compute and disclose such KPIs relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of companies such as us. These KPIs may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial and operational measures, and industry-related statistical information of similar nomenclature that may be computed and presented by other companies pursuing similar business.

Further, while after listing of the Equity Shares, we will continue to disclose the KPIs in accordance with the applicable laws, however, as the industry in which we operate continues to evolve, the measures by which we evaluate our business may change. Our internal systems and tools have a number of limitations, and our methodologies or assumptions that we rely on for tracking these metrics may also change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose, or our estimates of our category position. In addition, if the internal tools we use to track these measures under-count or over-count performance or contain algorithmic or other technical errors, the data and/or reports we generate may not be accurate. We calculate measures using internal tools, which are not independently verified by a third party. Any real or perceived inaccuracies in such metrics may harm our reputation and adversely affect our stock price, business, results of operations, and financial condition. Further, Non-GAAP measures presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS, U.S. GAAP or any other GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity and should not be considered in isolation or construed as an alternative to cash flows, profit for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability

or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS, U.S. GAAP or any other GAAP. In addition, these Non-GAAP Measures are not standardized terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

**21. *Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risk.***

We have availed the services of an independent third-party research agency, Dun & Bradstreet Information Services India Private Limited ("**D&B**"), appointed by us to prepare an industry report on "Petrochemicals" ("**D&B Report**"), that has been exclusively commissioned and paid for by us, for purposes of inclusion in this Draft Red Herring Prospectus. The Industry Report is available on the website of our Company at [www.shivtexchem.com](http://www.shivtexchem.com). Our Company, our Promoters and our Directors are not related to D&B.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While we have assumed responsibility for the contents of the report and have taken reasonable care in the reproduction of the information, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Further, the Industry Report is not a recommendation to invest/ disinvest in any company covered in the Industry Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Issue pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the Industry Report. You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the Industry Report before making any investment decision regarding the Issue. For further details, kindly refer "*Industry Overview*" on page 93 of this Draft Red Herring Prospectus.

**22. *Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency and are based on management estimates and may be subject to change based on various factors, some of which beyond our control. Any changes in the estimated funding requirements could affect our business and results of operations.***

We intend to use the Net Issue Proceeds towards long term working capital requirements of the company and general corporate purposes. Our funding requirements are based on management estimates and our current business plans and has not been appraised by any bank or financial institution. We intend to deploy the Net Issue Proceeds in financial year 2024-25 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. Whilst a monitoring agency will be appointed for monitoring the utilization of the Gross Proceeds, the proposed utilization of the Gross Proceeds is based on current conditions, internal management estimates and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy. The funds raised from the Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of the Gross Proceeds. For further details on the use of the Issue Proceeds, please refer chapter titled "*Objects of the Issue*" on page 79 of this Draft Red Herring Prospectus.

**23. *Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.***

We intend to use Net Proceeds from the Issue towards meeting long-term working capital requirements and General Corporate Purposes. For further details of the proposed objects of the Issue, see “*Objects of the Issue*” on page 79 of this Draft Red Herring Prospectus. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds without obtaining the shareholders' approval by way of a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, or vary the terms of any contract referred to in this Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

Further, our Promoters would be required to provide an exit opportunity to the Shareholders who do not agree with our proposal to change the objects of the Issue or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI. In light of these factors, we may not be able to undertake variation of objects of the Issue to any unutilized proceeds of the Issue, if any, or vary the terms of any contract referred to in this Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

**24. *Some of our loan agreements contain restrictive covenants which may adversely affect our business, results of operations and financial condition.***

As on March 31, 2024, our indebtedness (long term and short term) was ₹ 29,665.25 lakhs. The terms of sanction of such borrowings and certain terms of the financing agreements include covenants, such as requirement to maintain certain security, margins, financial ratios and other restrictive covenants relating to issuance of new shares, changes in capital structure, making material changes to constitutional documents, implementing any expansion scheme, incurring further indebtedness, encumbrances on, or disposal of, assets and paying dividends. There can be no assurance that maintaining or adhering to such covenants will not hinder business development and growth. There can be no assurance that we will be able to comply with these financial or other covenants, or that we will be able to obtain the consents necessary to proceed with the actions which we believe are necessary to operate and grow our business, which may in turn have a material adverse effect on our business and operations. We cannot assure you that we have complied with all such restrictive covenants in a timely manner, or at all, or that we will be able to comply with all such restrictive covenants in the future. Further, during any period in which we are in default, we may not be able to raise, or may face difficulties raising, further financing. For details, see “*Financial Indebtedness*” on page 189 of this Draft Red Herring Prospectus.

**25. *As of March 31, 2024, our total borrowings amounted to ₹ 29,665.25 lakhs which also included unsecured loans aggregating to ₹ 3,990.71 lakhs from related parties, which may be recalled at any time and our Company may not have adequate funds to make timely payments or at all.***

As of March 31, 2024, our total borrowings amounted to ₹ 29,665.25 lakhs which also included unsecured loans aggregating to ₹ 3,990.71 lakhs from related parties, which may be recalled at any time. The table below sets out the details of our total borrowings outstanding as on March 31, 2024:

Category of Borrowings	Amount outstanding
<b>A) Long-term borrowings</b>	
<i>Secured</i>	
Term Loans from Banks & Financial Institutions	NIL
Vehicle / Equipment Loans from Banks & Financial Institutions	NIL
<i>Unsecured</i>	
Term Loans from Banks & Financial Institutions	1,291.32
Loans and Advances from related parties	3,990.71
Loans and Advances from others	1,400.07
<b>Sub Total (A)</b>	<b>6,682.10</b>
<b>B) Short-term borrowings</b>	
<i>Secured</i>	
Current Maturity of Long-Term Debts	363.82
Working Capital facilities from Banks & Financial Institutions	
a) Fund Based	22,619.33
b) Non Fund Based	-
<b>Sub Total (B)</b>	<b>22,983.15</b>
<b>TOTAL (A)+(B)</b>	<b>29,665.25</b>

Some of our borrowings are secured, among others, through a charge by way of hypothecation on our assets and personal/corporate guarantee of our promoters / promoter group. As these assets are hypothecated or marked as lien, our rights in respect of transferring or disposing of these assets may be restricted except in the normal course of business. Further, in the event we fail to service our debt obligations, the lenders have the right to enforce the security created in respect of our secured borrowings. If the lenders choose to enforce security and dispose our assets to recover the amounts due from us, our business, results of operations, financial condition and cash flows may be adversely affected.

In addition, certain unsecured borrowings availed by us from related parties may be recalled at any time. In the event that the related parties seek repayment of any such unsecured loan, our Company may need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, any such demand may materially and adversely affect our business, results of operations, financial condition and cash flows. For further details, see “*Financial Indebtedness*” on page 189 of this Draft Red Herring Prospectus.

26. ***Our ability to pay dividends in the future will depend on a number of factors, including our profit after tax for the respective fiscal year, our capital requirements, our financial condition, our cash flows and applicable taxes, including payment of dividend distribution tax.***

Our Company has not declared any dividend since incorporation. Our ability to pay dividends in the future will depend on a number of factors, including our profit after tax for the fiscal year, our capital requirements, our financial condition, our cash flows and applicable taxes, including payment of dividend distribution tax. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and subsequent approval of our Shareholders and will depend on factors that our Board and Shareholders deem relevant. We may decide to retain all our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends in the future.

27. ***We have certain contingent liabilities which may adversely affect our financial condition.***

As on March 31, 2024, our Company had the following contingent liabilities:

Particulars	(₹ in lakhs)
	As at 31.03.2024
Bills Payables (Letter of Credit & Buyer's Credit) with Bank	10,465.74

In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected. For further information, please refer chapter titled “*Restated Financial Information – Contingent liabilities*” on page 170 of this Draft Red Herring Prospectus.

28. ***We have experienced negative cash flows from operation activities in the prior periods.***

Following is the summary of cash flow statement for fiscal 2022, fiscal 2023 and fiscal 2024:

Particulars	(₹ in lakhs)		
	Fiscal 2022	Fiscal 2023	Fiscal 2024
Net Cash Used in Operating Activities	2,825.08	(16,249.62)	5,833.86
Net Cash Used in Investing Activities	(29.08)	(78.16)	(8.35)
Net Cash Generated from Financing Activities	6,053.68	19,344.65	(1,137.11)
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	<b>8,849.69</b>	<b>3,016.87</b>	<b>4,688.40</b>

For further details, see “*Management's Discussion and Analysis of Financial condition and Results of Operations*” and “*Restated Financial Information*” on pages 179 and 150 respectively of this Draft Red Herring Prospectus. Any negative cash flows in the future could adversely affect our business, results of operations and financial condition.

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

Our individual promoters and their relatives viz., Hemanshu S. Chokhani, Shyamsundar Chokhani, Vikas Pavankumar, Manju Devi Chokhani and Neha Hemanshu Chokhani and our corporate promoters viz., Pavan Kumar Sanwaria Realty Private Limited and Hemanshu Syntex Private Limited have provided personal and/or corporate guarantees towards certain financing facilities taken by our Company. Any default or failure by us to repay the indebtedness in a timely manner, or at all, could trigger repayment obligations of our guarantors in respect of such loans, which in turn, could have an impact on their ability to effectively service their obligations as Promoters or Promoter Group of our Company, thereby having an effect on our business, results of operation and financial condition. Furthermore, in the event that these individuals withdraw or terminate their guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details, please refer the chapter titled “*Financial Indebtedness*” on page 189 of this Draft Red Herring Prospectus.

II. **External Risks**

30. ***The business segment in which we operate is highly competitive, loss of market share to our competitors may adversely affect our business operation and financial condition.***

Players in chemical business generally compete with each other on attributes such as quality of product,

pricing and timely delivery. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Growing competition or loss of customers to these competitors may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

31. ***Price of our product is not controllable and determined based on multiple uncontrollable factors such as crude oil and other fossil fuels, shipping cost, technology of manufacturers, foreign trade relations, product availability, geopolitical situation, etc. This may impact our ability to set a price which is advantageous to our business.***

The pricing of our products is subject to significant volatility influenced by multiple external factors beyond our control. Factors such as fluctuations in crude oil and other fossil fuel prices, varying shipping costs, technological advancements affecting manufacturing efficiencies, foreign trade relations impacting tariffs or duties, product availability dynamics, and geopolitical tensions can collectively impact the cost structure of our imported products.

These uncontrollable variables pose challenges in maintaining stable pricing strategies that are advantageous to our business. Sudden spikes in raw material costs or disruptions in supply chains due to geopolitical events or regulatory changes can lead to increased procurement expenses. Conversely, competitive pressures or economic downturns may necessitate strategic pricing adjustments to sustain market competitiveness and profitability.

As a result, our ability to effectively set and maintain optimal pricing levels may be compromised, potentially affecting our margins, revenue streams, and overall financial performance. We continually monitor and assess these external factors, employing proactive strategies to mitigate risks and optimize pricing strategies amidst a volatile global economic landscape.

32. ***Any fluctuations in prices of our materials or shortage in supply of chemicals for trading in our products, could adversely impact our business and our profitability.***

Our Company is dependent on the various chemicals and packaging materials required for the trading of our products. Thus, we are exposed to risk of upward fluctuations in the prices of various chemicals and packing materials and their availability. Also, we have not entered into any supply agreements with our suppliers and all chemicals are bought by our Company from various suppliers on order to order basis. Any upward fluctuation in the prices of the major chemical or shortage in supply of any major chemical would result in increase of cost price which may adversely impact the business and profitability of the Company. In case we are not able to pass on any such increase to the consumers because of competition or otherwise, it may affect the profitability of the Company.

33. ***Our business and activities may be affected by the competition law in India.***

On March 4, 2011, the Government of India notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. The combination regulation provisions require that acquisition of shares, voting rights, assets or control or mergers or amalgamations which cross the prescribed asset and turnover based thresholds shall be mandatorily notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 which sets out the mechanism for implementation of the combination regulation provisions under the Competition Act.

If we are adversely impacted, directly or indirectly, by any provision of the Competition Act, or its application or interpretation, generally or specifically in relation to any merger, amalgamation or acquisition proposed by us, or any enforcement proceedings initiated by the CCI, either suo moto or pursuant to any complaint, for alleged violation of any provisions of the Competition Act it may have a material adverse effect on our

business, financial condition and results of operations.

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

Interest rates for borrowings have been increasing in recent times. We are availing term loan and working capital loan facilities from our bankers and any increase in interest rate and a consequent increase in the cost of servicing such debt may have an adverse effect on our results of operations and financial condition. Changes in prevailing interest rates affect our interest expenses in respect of our borrowings and our interest income in respect of our interest on our deposits with banks. Upward fluctuations in interest rates may increase our borrowing costs, which could impair our ability to compete effectively in our business relative to competitors with lower levels of indebtedness. As a result, our business, financial condition, cash flows and results of operations may be adversely affected. In addition, we cannot assure you that difficult conditions in the global credit markets will not negatively impact the cost or other terms of our existing financing as well as our ability to obtain new credit facilities or access the capital markets on favorable terms.

- 35. *The demand for our products is dependent on the performance of chemical industry as a whole, any downturn or cyclical fluctuation in the chemical sector could materially affect our business and financial performance.***

Our Company is primarily engaged in the trade of hydro-carbon based chemicals, which finds their applications in varied range of industries. Consequently, our business is dependent on the performance of the chemical industry. In the event of any downturn or cyclical fluctuation in the chemical sector or any developments that make our products less economically beneficial, may have adverse effects on our financial condition and results of operations. Our business, financial condition and results of operations have been and will continue to be largely dependent on the performance of, and the prevailing conditions affecting the Textile & chemical industry.

- 36. *Technology failures or Cyber-attacks or other security breaches could have a material adverse effect on our business, results of operation or financial condition.***

IT systems are critical to our ability to manage our operations. Our IT systems enable us to coordinate our operations, from planning, product ordering, invoicing, delivery, customer relationship, management and decision support. If we do not allocate and effectively manage the resources necessary to build and sustain the proper IT infrastructure, we could be subject to transaction errors, processing inefficiencies, customer service disruptions and, in some instances, loss of customers. We face cyber threats, threats to the physical security of our facilities and employees, the potential for business disruptions associated with IT failures, natural disasters, or public health crises. We have installed anti-virus software to prevent our systems and infrastructure from being infected and crippled by computer viruses. All our internet facing servers installed at all our data centres as well as at all our offices are also secured with firewalls and intrusion preventions systems to prevent hacking. If we are unable to protect sensitive information, our customers could question the adequacy of our threat mitigation and detection processes and procedures. Due to the evolving nature of these security threats, the impact of any future incident cannot be predicted.

- 37. *COVID-19 or the outbreak of any other severe communicable disease could have a potential impact on our business, financial condition and results of operations.***

COVID-19 or the outbreak of any other severe communicable disease could adversely affect the overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our customers and suppliers, which could adversely affect our business, financial condition and results of operations. The outbreak of COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines and shutdowns. These measures have impacted and may further impact our workforce and operations, the operations of our customers, and those of our respective vendors and suppliers. A rapid increase in severe cases of infections and subsequent deaths where measures taken by governments fail or

are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID19 remain uncertain and could be severe. Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts. If any of our employees were suspected of contracting COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general.

The outbreak has significantly increased economic uncertainty. The spread of COVID- 19 has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or steps on what we believe would be in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed. The extent to which the COVID- 19 further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions taken globally to contain COVID-19 or treat its impact, among others.

## ISSUE RELATED RISKS

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

Prior to this Issue, there has been no public market for the Equity Shares. The trading price of the Equity Shares may fluctuate after this Issue due to a variety of factors, including the results of operations and the performance of our business, competitive conditions, general economic, political and social factors, volatility in the Indian and global securities markets, the performance of the Indian economy and significant developments in India's the financial year regime. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue, or that the price at which the Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue.

- 39. *Future issuances or sales of the equity shares could significantly affect the trading price of the Equity Shares and the grant of stock options under our employee stock option schemes may result in a charge to our profit and loss account and adversely impact our results of operations.***

Any future issuance of equity shares by us, the disposal of our equity shares by any of our major shareholders or our issuance of stock options under our existing or future employee stock options schemes (ESOPs) could dilute your shareholding, adversely affect the trading price of our Equity Shares or impact our ability to raise capital through another offering of securities. In addition, any perception by investors that such issuance or sales of equity shares by our major shareholders may occur may significantly affect the trading price of our Equity Shares.

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

Subsequent to listing, we will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on the Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Indian stock exchanges are not required to inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of Equity Shares. As a result of this circuit breaker, there can be no



assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

- 41. *There is no guarantee that the Equity Shares will be listed on stock exchange in a timely manner or at all, and any trading closures at stock exchange may adversely affect the trading price of our Equity Shares.***

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Approval for listing and trading requires all other relevant documents authorizing the issuing of the Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares.

- 42. *A third party could be prevented from acquiring control of us because of the anti-takeover provisions under Indian law.***

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

- 43. *You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Issue.***

The Equity Shares will be listed on the SME platform of BSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or demat accounts with depository participants in India are expected to be credited within two working Days of the date on which the basis of allotment is approved by Designated Stock Exchange. Thereafter, upon receipt of final approval from the Designated Stock Exchange, trading in the Equity Shares is expected to commence within seven Working Days of the date on which the basis of allotment is approved by the Designated Stock Exchange. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence within the time periods specified above.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax ("STT") has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India, if securities transaction tax has been paid on the transaction. Any gain realized on the sale of shares held for more than 36 months to an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of unlisted equity shares held for a period of 24 months or less which are sold other than on a recognized stock exchange and on which no STT has been paid, may be subject to short term capital gains tax at relatively higher rate as compared to the transaction where STT has been paid in India.

- 45. *QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Issue Closing Date.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date. While we are required to complete Allotment, listing and commencement of trading pursuant to the Issue within six (6) Working Days from the Bid/ Issue Closing Date, events affecting the Bidders' decision to invest in our Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows and financial condition may arise between the date of submission of the Bid and Allotment, listing and commencement of trading. We may complete the Allotment, listing and commencement of trading of our Equity Shares even if such events occur and such events may limit the Bidders' ability to sell our Equity Shares Allotted pursuant to the Issue or may cause the trading price of our Equity Shares to decline on listing.

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

The Issue Price may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. There can be no assurances that investors who are allotted Equity Shares through the Issue will be able to resell their Equity Shares at or above the Issue Price.

**47. *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 nonresidents 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 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.

**48. *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.

**49. *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.

50. ***Our Company's revenues and profits are difficult to predict and can vary significantly from quarter to quarter. This could cause our share price to fluctuate.***

Our Company's quarterly operating results may fluctuate from quarter to quarter depending upon the seasonality of export and import shipments. Therefore, we believe that period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as an indication of our Company's future performance. It is possible that in the future some of our Company's quarterly results of operations may be below the expectations of market analysts and our investors, which could lead to a significant decline of the share price of the Equity Shares.

51. ***Our assets and operations are located in India, and we are subject to regulatory, economic and political uncertainties in India and a significant change in the central and state governments' economic liberalization and deregulation policies could disrupt our business.***

Under the foreign exchange regulations currently in force in India, transfers of shares between nonresidents 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 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.

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

Our Articles of Association and applicable law govern our corporate affairs. Legal principles related to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company incorporated under the laws of another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Consequently, investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation incorporated under the laws of another jurisdiction.

## SECTION – III – INTRODUCTION

### THE ISSUE

The following is the summary of the Issue:

Particulars	Details
<b>Equity Shares Issued:</b> <sup>*(1)(2)</sup> Present Issue of Equity Shares by our Company	Issue of 61,05,600 Equity Shares of ₹10/- each at a price of ₹ [●] per Equity Share
<b>Of which:</b>	
<b>Issue Reserved for the Market Makers</b>	[●] Equity Shares of ₹10/- each of ₹ [●]/- per Equity Share reserved as Market Maker Portion
<b>Net Issue to Public</b>	Net Issue to Public of [●] Equity Shares of ₹10/- each at a price of ₹[●]/- per Equity Share to the Public
<b>Of which:</b>	
Allocation to Qualified Institutional Buyers <sup>(3)(4)</sup>	[●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
<b>Of which:</b>	
(i) Anchor Investor Portion	[●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
(ii) Net QIB portion (assuming Anchor Investor Portion is fully)	[●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
Allocation to Non-Retail Individual Investors	[●] Equity Shares of ₹ 10/- each aggregating up to [●] Lakhs
Allocation to Retail Individual Investors <sup>(5)</sup>	[●] Equity Shares of ₹ 10/- each aggregating up to [●] Lakhs
<b>Pre-Issue and Post Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	[●] Equity Shares of ₹ 10/- each
Equity Shares outstanding after the Issue	[●] Equity Shares of ₹ 10/- each
<b>Use of Proceeds</b>	For further details, see ‘Objects of the Issue’ on page 79 of this Draft Red Herring Prospectus.

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

- (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) and Regulation 253 (1) 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 issued to the public for subscription.
- (2) The present Issue has been authorized pursuant to a resolution of our Board dated July 11, 2024 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held on July 11, 2024.
- (3) Our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for Mutual Funds, subject to valid Bids being received from 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 Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For further details, see “Issue Procedure” on page 225.
- (4) Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.
- (5) Not less than 15% of the Issue shall be available for allocation to Non-Institutional Bidders, , provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price and not less than 35% of the Issue will be available for allocation to Retail Individual Bidders, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All Bidders, other than the Anchor Investors, are mandatorily required to participate in this Issue only through an Application Supported by Blocked Amount (“ASBA”) process, providing details of their respective bank accounts (including UPI ID for UPI Bidders using UPI Mechanism) in which the Bid amount will be blocked by the Self Certified Syndicate Banks or the Sponsor Bank. The Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For further details, please see “Issue Procedure” on page 225.

- (6) *In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Allocation to investors in all categories, except the Retail Portion, shall be made on a proportionate basis subject to valid bids received at or above the Issue Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, and subject to availability of Equity Shares in the Retail Portion, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.*
- (7) *In the event of an under-subscription in the issue and compliance with Rule 19(2)(b) of the SCRR, our Company and the BRLM shall first ensure Allotment of Equity Shares Issued pursuant to the Fresh Issue by the Issuer.*

## SUMMARY OF 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, 2024, March 31, 2023 and March 31, 2022.*

*The Restated Financial Information referred to above are presented under “Financial Information” beginning on page 150. The summary of financial information presented below should be read in conjunction with the “Restated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 150 and 179, respectively.*

*(The remainder of this page has been left intentionally blank)*

**Shiv Texchem Limited (Formely known as Shiv Texchem Private Limited)**  
**Restated Balance Sheet as at 31st March 2024**

		(INR in Lakhs)		
	Schedule	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholder's Funds</b>				
Share Capital	1	213.33	160.00	160.00
Reserves and surplus	2	19,074.36	12,116.39	10,513.68
<b>Total Equity</b>		<b>19,287.69</b>	<b>12,276.39</b>	<b>10,673.68</b>
<b>Non Current Liabilities</b>				
Long Term Borrowings	3	6,682.10	6,005.37	6,023.46
Long Term Provisions	4	6.21	5.23	3.79
<b>Total Non Current Liabilities</b>		<b>6,688.31</b>	<b>6,010.60</b>	<b>6,027.25</b>
<b>Current Liabilities</b>				
Short Term Borrowing	5	22,983.15	26,909.02	6,010.87
Trade Payables	6	27,764.32	11,566.62	19,377.71
Other Current Liabilities	7	2,811.03	3,464.67	426.35
Short Term Provisions	8	333.55	7.68	27.71
<b>Total Current Liabilities</b>		<b>53,892.05</b>	<b>41,947.99</b>	<b>25,842.64</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>79,868.05</b>	<b>60,234.98</b>	<b>42,543.57</b>
<b>ASSETS</b>				
<b>Non Current Assets</b>				
Property, Plant, and Equipment	9	87.97	96.58	36.67
Non Current Investment	10	0.15	0.75	0.75
Deffered Tax Assets	11	3.62	3.48	2.75
Long Term Loans and Advances	12	83.38	65.38	233.42
<b>Total Non Current Assets</b>		<b>175.12</b>	<b>166.19</b>	<b>273.59</b>
<b>Current Assets</b>				
Inventories	13	39,655.48	31,567.42	12,971.68
Trade Receivables	14	18,230.20	12,521.63	17,836.05
Cash & Cash Equivalents	15	18,067.75	13,379.35	10,362.48
Short Term Loans & Advances	16	3,739.50	2,600.39	1,099.77
<b>Total Current Assets</b>		<b>79,692.93</b>	<b>60,068.79</b>	<b>42,269.98</b>
<b>TOTAL ASSETS</b>		<b>79,868.05</b>	<b>60,234.98</b>	<b>42,543.57</b>

As per our separate report attached.

**For Sundarlal Desai & Kanodia**

Chartered Accountants

Firm Regn No. 0110560W

**(CA. Mukul B. Desai)**

**Partner**

M. No. 033978

Place : Mumbai

Date : 16th July, 2024

**For and on behalf of the Board of Directors**

**(Vikas Pavankumar)**

Whole Time Director  
and Managing Director

DIN No.:00323118

**(Hemanshu Chokhani)**

Whole Time Director and  
Chief Financial Officer

DIN No.:00217029

**(Dinky Jain)**

Company Secretary and Compliance Officer

Membership No: 59546

**Shiv Texchem Limited (Formerly known as Shiv Texchem Private Limited)**  
**Restated Statement of Profit and Loss**

		(INR in Lakhs)		
	Schedule	Year Ended 31.03.2024	Year Ended 31.03.2023	Year Ended 31.03.2022
<b>INCOME</b>				
Revenue from Operations (Net)	17	1,53,490.41	1,11,759.06	85,865.83
Other Income	18	178.38	107.92	681.63
<b>Total Revenue</b>		<b>1,53,668.79</b>	<b>1,11,866.98</b>	<b>86,547.46</b>
<b>EXPENDITURE</b>				
Purchase of Stock-in-trade	19	1,47,873.18	1,21,964.27	93,276.02
Change in inventories of traded goods	20	(8,088.06)	(18,595.74)	(12,934.40)
Employees Benefit Expenses	21	333.63	268.81	206.57
Finance Costs	22	1,887.97	1,535.41	396.94
Depreciation & Amortisation Expenses	9	19.02	20.41	9.86
Other Expenses	23	7,558.48	4,519.45	3,724.31
<b>Total Expenses</b>		<b>1,49,584.22</b>	<b>1,09,712.61</b>	<b>84,679.30</b>
<b>Profit Before Tax</b>		<b>4,084.57</b>	<b>2,154.37</b>	<b>1,868.16</b>
<b>Tax Expenses</b>				
Current Tax		1,073.41	552.38	483.21
Deferred Tax (Income) / Expenses		(0.14)	(0.73)	(1.53)
<b>Profit / (Loss) for the Year</b>		<b>3,011.30</b>	<b>1,602.72</b>	<b>1,386.48</b>
Basic & Diluted EPS	24	165.42	100.17	163.64
Weighted Average No. of Shares		18,20,369	16,00,000	8,47,288

As per our separate report attached.  
**For Sundarlal Desai & Kanodia**  
Chartered Accountants  
Firm Regn No. 0110560W

**For and on behalf of the Board of Directors**

(CA. Mukul B. Desai)  
Partner  
M. No. 033978  
Place : Mumbai  
Date : 16th July, 2024

**(Vikas Pavankumar)**  
Whole Time Director and  
Managing Director  
DIN No.:00323118

**(Hemanshu Chokhani)**  
Whole Time Director and Chief Financial  
Officer  
DIN No.:00217029

**(Dinky Jain)**  
Company Secretary and Compliance Officer  
Membership No: 59546



**Shiv Texchem Limited (Formerly known as Shiv Texchem Private Limited)**  
**Restated Statement of Cash Flows**

Particulars	(INR in Lakhs)		
	Year Ended 31.03.2024	Year Ended 31.03.2023	Year Ended 31.03.2022
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit Before Tax and Extraordinary Items	4,084.57	2,154.37	1,868.16
Adjustment for :			
Depreciation	19.02	20.41	9.86
Interest Expenses	1,887.97	1,535.41	396.94
Interest Income	(2.06)	(2.16)	(4.73)
Gain/ Loss on sale of Fixed Assets	-	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>5,989.50</b>	<b>3,708.03</b>	<b>2,270.23</b>
<b>Adjustment for Changes in Working Capital :</b>			
Stock in Trade	(8,088.06)	(18,595.74)	(12,934.40)
Trade Receivables	(5,708.57)	5,314.42	(4,049.15)
Loans and Advances	(1,156.51)	(1,332.58)	(823.73)
Trade Payable, Current Liabilities and Provisions	15,870.91	(4,791.37)	18,845.34
Cash Generated/(used) in Operations	6,907.27	(15,697.24)	3,308.29
Direct Taxes Paid	(1,073.41)	(552.38)	(483.21)
<b>Net Cash Used in Operating Activities</b>	<b>5,833.86</b>	<b>(16,249.62)</b>	<b>2,825.08</b>
<b>(B) CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
Purchase of Fixed Assets (Net)	(10.41)	(80.32)	(33.81)
Sale of Fixed Assets	-	-	-
Interest Received	2.06	2.16	4.73
<b>Net Cash Used in Investing Activities</b>	<b>(8.35)</b>	<b>(78.16)</b>	<b>(29.08)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of Share Capital	4,000.00	-	6,520.00
(Repayment) of / Proceeds from Term Borrowings	(3,249.14)	20,880.06	(69.38)
Interest Paid	(1,887.97)	(1,535.41)	(396.94)
<b>Net Cash Generated from Financing Activities</b>	<b>(1,137.11)</b>	<b>19,344.65</b>	<b>6,053.68</b>
Net Inc./(Dec.) in Cash & Cash equivalents [A+B+C]	4,688.40	3,016.87	8,849.69
<b>Cash &amp; Cash Equivalents- Opening Balance</b>	<b>13,379.35</b>	<b>10,362.48</b>	<b>1,512.79</b>
<b>Cash &amp; Cash Equivalents- Closing Balance</b>	<b>18,067.75</b>	<b>13,379.35</b>	<b>10,362.48</b>

Notes:

1) Cash Flow Statement has been prepared under "Indirect Method" set out in Accounting Standard 3 on Cash Flow Statements.

As per our separate report attached.  
**For Sundarlal Desai & Kanodia**  
Chartered Accountants  
Firm Regn No. 0110560W

**(CA. Mukul B. Desai)**  
Partner  
M. No. 033978  
Place : Mumbai  
Date : 16th July, 2024

**For and on behalf of the Board of Directors**

**(Vikas Pavankumar)**                      **(Hemanshu Chokhani)**  
Whole Time Director and              Whole Time Director and Chief  
Managing Director                      Financial Officer  
DIN No.:00323118                      DIN No.:00217029

**(Dinku Jain)**  
Company Secretary and Compliance Officer  
Membership No: 59546

## GENERAL INFORMATION

Our Company was incorporated as ‘*Shiv Texchem Private Limited*’ as private limited company in Mumbai under the Companies Act, 1956, pursuant to a certificate of incorporation dated March 31, 2005, issued by Registrar of Companies, Maharashtra, Mumbai. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at an Extra-ordinary General Meeting held on June 11, 2024, and a fresh certificate of incorporation consequent upon conversion dated July 05, 2024 was issued by the Registrar of Companies, Mumbai. For further details, see “*History and Certain Corporate Matters*” on page 126 of this Draft Red Herring Prospectus. The Corporate Identification Number of our company is U24110MH2005PLC152341.

### Registered Office

Kamla Space, Unit no. 216,  
2nd Floor Khira Nagar TPS III,  
S.V. Road, Santacruz (West) NA  
Mumbai – 400054, Maharashtra, India

**Telephone:** +91 86558 91138

**Website:** www.shivtexchem.com

**Registration Number:** 152341

**Corporate Identification Number:** U24110MH2005PLC152341

### Corporate Office

602, 6<sup>th</sup> Floor, Savoy Chambers,  
Hasmukh Nagar, Santacruz (W)  
Mumbai, 400 054

Telephone: +91 22 35236213 & +91 22 352218869

For further details, see “*History and Certain Corporate Matters*” on page 126 of this Draft Red Herring Prospectus.

### Registrar of Companies

Our Company is registered with the RoC, Mumbai located at the following address:

Registrar Of Companies,  
100, Everest, Marine Drive,  
Mumbai- 400002, Maharashtra.

**Telephone:** +91-22-22812627

### Board of Directors

The details regarding our Board of Directors as on date of this Draft Red Herring Prospectus:

Name	Designation	DIN	Address
Vikas Pavankumar	Chairman and Managing Director	00323118	49/B, Bhagirathi Nehru Road Vile Parle East, Mumbai – 400 057, Maharashtra, India
Hemanshu S. Chokhani	Whole Time Director and Chief Financial Officer	00217029	201, 2 <sup>nd</sup> floor, Dev Shakti Building Asha Parekh Hospital, Tilak Road Lane, Santacruz (West), Mumbai – 400 054, Maharashtra, India.
Shyamsundar Chokhani	Whole Time Director	00216976	202, 2 <sup>nd</sup> floor, Dev Shakti Building, Asha Parekh Hospital Lane, Tilak Road Santacruz (West), Mumbai – 400 054, Maharashtra, India.

Name	Designation	DIN	Address
Neha Hemanshu Chokhani	Whole Time Director	09157624	201, 2 <sup>nd</sup> floor, Dev Shakti Building Asha Parekh Hospital, Tilak Road Lane, Santacruz (West), Mumbai – 400 054, Maharashtra, India.
Girdhar Lal Kundawal	Independent Director	10124589	A 1402 Aditya Premiere, Opp Samvaad Samnavav, Behind Lubi Corporate Office, Vesnodevi Zundal Underpass, Ahmedabad, Gujarat – 382 470
Sushil Kumar Relan	Independent Director	10356424	A-401, Gardenia, Lodha, New Cuffe Parade, Sevir Chembur Road, Wadala, Truck Terminal, Wadala East, Mumbai, Maharashtra – 400 037
Rajen Hemchand Gada	Independent Director	01642360	Krishna Kunj, Plot No. 49, RD No. 9, Brahmanwada, Matunga (CR), Mumbai – 400 019

For further details of our directors, see “*Our Management*” on page 129 of this Draft Red Herring Prospectus

### Company Secretary and Compliance Officer

Dinky Jain is our Company Secretary and Compliance Officer. Her contact details are as follows:

#### Dinky Jain

602, 6<sup>th</sup> Floor, Savoy Chambers,  
Hasmukh Nagar,  
Santacruz (W),  
Mumbai – 400 054,

**Telephone:** +91 96195 11788

**Email:** cs@shivtexchem.com

### Investor Grievances

**Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc.**

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the Application Form was submitted, giving full details such as name of the sole or First Applicant, Application Form number, Applicant’s DP ID, Client ID, PAN, address of Applicant, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for UPI Investors who make the payment of Application Amount through the UPI Mechanism), date of Application Form and the name and address of the relevant Designated Intermediary where the Application was submitted. Further, the Applicant shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, 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 3 months of the date of listing of the Equity Shares. In terms of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SCSBs are required to compensate the investor immediately on the receipt of complaint.

All grievances relating to applications submitted through the Registered Broker and/or a stockbroker may be addressed to the Stock Exchange with a copy to the Registrar to the Issue.

### **Book Running Lead Manager**



#### **Vivro Financial Services Private Limited**

607/608, Marathon Icon, Opp. Peninsula Corporate Park,  
Off. Ganpatrao Kadam Marg, Veer Santaji Lane,  
Lower Parel, Mumbai – 400 013, Maharashtra, India

**Telephone:** +91 22 6666 8040

**Email ID:** [investors@vivro.net](mailto:investors@vivro.net)

**Investor Grievance ID:** [investors@vivro.net](mailto:investors@vivro.net)

**Website:** [www.vivro.net](http://www.vivro.net)

**Contact Person:** Aradhy Rajyaguru/ Kruti Saraiya

**SEBI Registration No.:** INM000010122

**CIN:** U67120GJ1996PTC029182

### **Statement of responsibilities of the Book Running Lead Manager**

Vivro Financial Services Private Limited is the sole Book Running Lead Manager to the 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.

### **Legal Counsel to the Issue**

#### **Rajani Associates, Advocates & Solicitors**

204-207, Krishna Chambers,  
59, New Marine Lines, Mumbai,  
Maharashtra-400 020, India.

**Telephone:** +91 22 4096 1000

**Email ID:** [sangeeta@rajaniassociates.net](mailto:sangeeta@rajaniassociates.net)

**Contact Person:** Sangeeta Lakhi

### **Statutory Auditor**

#### **Sundarlal, Desai and Kanodia**

204, The Summit Business Bay,  
Behind Gurunanak Petrol Pump,  
Off Andheri Kurla Road, Andheri East,  
Mumbai 400 093

**Telephone:** +91-22-2682 4100

**Website:** [www.sdkca.in](http://www.sdkca.in)

**Email ID:** [sdka@yahoo.com](mailto:sdka@yahoo.com)

**Contact Person:** Mukul Desai

**Membership No.:** 33978

**Peer Review No.:** 014513

**Firm Registration No.:** 110560W

### **Changes in Auditors**

There have been no changes in the statutory auditors of our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus.

## Registrar to the Issue

Link Intime India Private Limited  
C 101, 247 Park, Lal Bahadur Shastri Marg, Surya Nagar,  
Gandhi Nagar, Vikhroli West,  
Mumbai, Maharashtra 400083  
**Telephone:** +91 810 811 4949  
**Website:** www.linkintime.co.in  
**E-mail:** shivtexchem.smeipo@linkintime.co.in  
**Investor Grievance ID:** shivtexchem.smeipo@linkintime.co.in  
**Contact Person:** Shanti Gopalkrishna  
**SEBI Registration No.:** INR000004058

## Banker(s) to our Company

### HDFC Bank Limited

Sana Bldg. Linking Road  
Santacruz (W) Mumbai - 400054  
**Telephone:** +91-75060 01798  
**Email:** amit.parulekar@hdfcbank.com  
**Website:** www.hdfcbank.com  
**Contact Person:** Amit Parulekar  
**Designation:** Senior Manager

### Axis Bank Limited

7<sup>th</sup> Floor, North Side, Axis House I Wadia International  
Center I P.B. Marg I Worli,  
Mumbai – 400 025  
**Telephone:** +91-96192 73657  
**Email:** Aashee.garg@axisbank.com  
**Website:** www.axisbank.com  
**Contact Person:** Aashee Mehta  
**Designation:** Senior Manager

### Union Bank of India

Laavanti S.V.Road  
Santacruz (W)  
Mumbai-400054  
**Telephone:** +91-99108 33918  
**Email:** ubin0531928@unionbankofindia.bank  
**Website:** www.unionbankofindia.co.in  
**Contact Person:** Dhiraj Kumar  
**Designation:** Chief Manager

### Federal Bank Limited

C Wing 5<sup>th</sup> Floor,  
Laxmi Towers, BKC,  
Bandra East Mumbai – 400051  
**Telephone:** +91-97850 79095  
**Email:** himanshu@federalbank.co.in  
**Website:** www.federalbank.co.in  
**Contact Person:** Himanshu Sharma  
**Designation:** AeVP

### ICICI Bank Limited

Ground Floor, South Tower, Gate No-4 Bandra Kurla  
Complex Bandra (East) Mumbai – 400051  
**Telephone:** +91-75064 44839  
**Email:** vi.agarwal@icicibank.com  
**Website:** www.icicibank.com  
**Contact Person:** Vivek Agarwal  
**Designation:** Regional Head

### IndusInd Bank Limited

One World Center Tower -1,  
11<sup>th</sup> Floor Prabhadevi West, Mumbai- 400013  
**Telephone:** +91-99304 94646  
**Email:** abhinay.agarwal@indusind.com  
**Website:** www.axisbank.com  
**Contact Person:** Abhinay Agarwal

### Citi Bank

10<sup>th</sup> Floor, Citi Commercial Bank,  
1<sup>st</sup> International Financial Centre, BKC  
Bandra (E), Mumbai – 400 098  
**Telephone:** +91-98498 40234  
**Email:** anil.jawar@citi.com  
**Website:** www.online.citibank.co.in  
**Contact Person:** Anil Jhwar  
**Designation:** Senior Vice President

### IDFC Bank Limited

Vibgyor Towers, C- 62, Ground Floor, 7,8 9 ,10,11,  
12<sup>th</sup> Floor, G Block, Bandra Kurla Complex, Bandra  
East, Mumbai, Maharashtra 400051, Mumbai – 400051  
**Telephone:** +91-22-71326144  
**Email:** rahul.agarwal@idfcbank.com  
**Website:** www.idfcfirstbank.com  
**Contact Person:** Rahul Agarwal

**Yes Bank Limited**

Yes Bank House Santacruz (East)  
Mumbai - 400055  
**Telephone:** +91-91676 50487  
**Email:** Jitendra.agarwal@yesbank.in  
**Website:** www.yesbank.in  
**Contact Person:** Jitendra Agarwal  
**Designation:** Team Leader (TL)

**State Bank of India**

Shivsagar Estate Branch Worli,  
Mumbai -400018  
**Telephone:** +91-70532 84426  
**Email:** Akshay.kumar10@sbi.co.in  
**Website:** [www.onlinesbi.sbi](http://www.onlinesbi.sbi)  
**Contact Person:** Akshay Kumar  
**Designation:** Manager

**Punjab National Bank**

Mumbai Main Branch  
Sir P.M. Road Fort Mumbai – 400001  
**Telephone:** +91-75300 87770  
**Email:** mcc6294@pnb.co.in  
**Website:** www.pnbindia.in  
**Contact Person:** Venkatesh Veera  
**Designation:** MCC Head-Assistant General Manager

**Kotak Mahindra Bank Limited**

C-12, G Block, Bandra Kurla Complex, Bandra East –  
400051  
**Telephone:** +91-22-6218052  
**Email:** Darshab.savla@kotak.com  
**Website:** www.kotak.com  
**Contact Person:** Darshan Savla  
**Designation:** Associate Vice President

**CSB Bank**

Empress House Empress Building 2<sup>ND</sup> Floor Ram  
Krishna Nagar Mumbai – 400052  
**Telephone:** +91-99306 74104  
**Email:** mehalsinsinwar@csb.co.in  
**Website:** www.csb.co.in  
**Contact Person:** Mehul Sinsinwar  
**Designation:** Regional Head-Mumbai

**Banker/Sponsor Bank/ Refund Bank to the Issue**

[Name]  
[Address]  
**Telephone:** [●]  
**Email:** [●]  
**Website:** [●]  
**Contact Person:** [●]  
**SEBI Registration No.:** [●]

The Banker / Sponsor Bank / Refund Bank to the Issue shall be appointed prior to filing of the Prospectus.  
Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the 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>.

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

The list of SCSBs notified by SEBI for the ASBA process is available on the SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>, or at such other website as may be prescribed by SEBI from time to time.

A list of the Designated SCSB Branches with which an ASBA Bidder (other than a UPI Bidder), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the ASBA Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> or at such other websites

as may be prescribed by SEBI from time to time.

### ***Self-Certified Syndicate Banks eligible as Issuer Banks and mobile applications enabled for UPI Mechanism***

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated September 26, 2019, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI. The list of SCSBs through which Bids can be submitted by UPI Bidders using the UPI Mechanism, including details such as the eligible mobile applications and UPI handle which can be used for such Bids, is available on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>, respectively, as may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

### ***Syndicate Self-Certificate Syndicate Bank Branches***

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

### **Registered Brokers**

In terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, Applicant can submit Application Form for the Issue using the stockbrokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Brokers Centers. 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 <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

### **Collecting Depository Participants**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, 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.

### **Registrar and Share Transfer Agent**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, 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 ([www.sebi.gov.in](http://www.sebi.gov.in)), and updated from time to time. For details on RTA, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

### **Credit Rating**

As this is an issue of Equity Shares, there is no credit rating for this Issue.

### **IPO Grading**

Since the issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 there is no requirement

of appointing an IPO Grading agency.

### **Expert**

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

Our Company has received written consent dated July 19, 2024 from the Statutory Auditor namely, Sundarlal, Desai & Kanodia, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an ‘expert’ as defined under Section 2(38) of Companies Act, 2013 in respect of the examination report dated July 16, 2024 on the Restated Financial Information, and the statement of possible special tax benefits dated July 19, 2024 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated July 19, 2024, from A. K. Nevatia & Associates, Chartered Accountants, having firm registration number 107045W holding a valid peer review certificate from the ICAI, to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an ‘expert’ as defined under Section 2(38) of Companies Act in respect of the certificates issued by them, in their capacity as an independent chartered accountant to our Company, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

### **Appraising Entity**

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

### **Monitoring Agency**

In compliance with Regulation 41 of the SEBI ICDR Regulations, has appointed [•] as the monitoring agency for monitoring the utilization of the Net Proceeds, since the issue size is more than one hundred crores.

### **Debenture trustees**

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

### **Green Shoe Option**

No green shoe option is applicable for the Issue.

### **Filing**

This Draft Red Herring Prospectus is being filed with the BSE Limited

This Draft Red Herring Prospectus will not be filed with SEBI nor SEBI will issue any observation on the draft Issue document in term of Regulation 246(2) of the 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 Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus/Prospectus, along with the material contracts and documents referred elsewhere in the Red Herring Prospectus/Prospectus, will be delivered to the RoC Office situated at Registrar of Companies, 100, Everest, Marine Drive, Mumbai- 400002, Maharashtra.



## Underwriting Agreement

This Issue is 100% Underwritten. The Underwriting agreement has been entered on July 19, 2024. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriter has indicated its intention to underwrite the following number of specified securities being Issued through this Issue:

Details of Underwriter	No. of Shares Underwritten*	Amount Underwritten	% of the total Issue Size Underwritten
Vivro Financial Services Private Limited	61,05,600	[●]	100

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

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the abovementioned Underwriter are sufficient to enable it to discharge its underwriting obligation in full. The abovementioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act and registered as brokers with the Stock Exchanges.

## Details of Market Making Arrangement

Our Company and the Book Running Lead Manager have entered into an agreement dated [●] with the following Market Maker to fulfil the obligations of Market Making:

[●]  
Address: [●]  
Tel: [●]  
Email ID: [●]  
Website: [●]  
Contact Person: [●]

The Market Maker shall the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, 2018 and the circulars issued by the BSE and SEBI in this regard from time to time.

Following is a summary of the key details pertaining to the proposed Market Making arrangement:

[●]

## 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 in all editions of the English national newspaper, all editions of Hindi national newspaper and in 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.

All Bidders, other than Anchor Investors, were mandatorily required to participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs. Retail Individual Bidders were required to participate through the ASBA process, either by (i) providing the details of their respective ASBA Account in which the corresponding Bid Amount was blocked by the SCSBs; or (ii) using the UPI Mechanism. Non-Institutional Bidders with an application size of up to ₹500,000 were required to use the UPI Mechanism and provide their UPI ID in the Bid cum Application Form submitted with Syndicate Member, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. UPI Bidders were

required to participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount was blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors were not permitted to participate in the Issue through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders were not permitted 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 could revise their Bids during the Bid / Issue Period and withdraw their Bids until the Bid / Issue Closing Date. Further, Anchor Investors could not withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) will be on a proportionate basis while allocation to Anchor Investors was on a discretionary basis. For an illustration of the Book Building Process and further details, see “*Terms of the Issue*” and “*Issue Procedure*” on page 212 and 225, respectively.

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

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

For further details on the method and procedure for Bidding, see “*Issue Procedure*” on page 225.

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

For an illustration of the Book Building Process and the price discovery process, see “*Terms of the Issue*” and “*Issue Procedure*” on page 212 and 225, respectively.

#### **Withdrawal of the Issue**

Our Company in consultation with the Book Running Lead Manager, reserve 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 2 (Two) 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 Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs (in case of RII’s using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicants, within 1 (One) day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed.

## CAPITAL STRUCTURE

The share capital of the Company as on date of this Draft Red Herring Prospectus is set forth below:

		<i>(in ₹, except share data)</i>	
Particulars	Aggregate nominal value	Aggregate value at Issue Price*	
<b>A</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	2,50,00,000 Equity Shares of face value of ₹10 each	25,00,00,000	-
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE</b>		
	1,70,66,672 Equity Shares of face value of ₹10 each	17,06,66,720	-
<b>C</b>	<b>PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS<sup>^</sup></b>		
	Issue of up to 61,05,600 Equity Shares of ₹10 each at an Issue Price of ₹[●] per Equity Share	[●]	[●]
	Of which		
	Reservation for Market Maker: [●] Equity Shares of ₹ [●] each at an Issue Price of ₹ [●] per Equity Share reserved as Market Maker Portion	[●]	[●]
	Net Issue to Public: [●] Equity Shares of ₹ [●] each at an Issue Price of ₹ [●] per Equity Share to the Public	[●]	[●]
	<b>Net Public Issue consists of:</b>		
	<b>Allocation of Qualified Institutional Buyers</b> Not more than [●] Equity Shares will be available for allocation to Qualified Institutional Buyers	[●]	[●]
	<b>Allocation to Non-Institutional Investors:</b> At least [●] Equity Shares of ₹[●] each at an Issue Price of ₹ [●] per Equity Share will be available for allocation to Non-Institutional Investors	[●]	[●]
	<b>Allocation to Retail Individual Investors:</b> At least [●] Equity Shares of ₹[●] each at an Issue Price of ₹ [●] per Equity Share will be available for allocation to Retail Individual Investors	[●]	[●]
<b>D</b>	<b>ISSUED, SUBSCRIBED AND PAID UP EQUITY CAPITAL AFTER THE ISSUE</b>		
	Up to 2,31,72,272 Equity Shares of face value ₹10 each	23,17,22,720 **	[●]
<b>E</b>	<b>SECURITIES PREMIUM</b>		
	Before the Issue	-	90,48,33,780
	After the Issue	-	[●]

\*Details to be included upon finalization of Issue Price

<sup>^</sup>The Present Issue of up to 61,05,600 Equity Shares in terms of this Draft Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated July 11, 2024 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of the members held on July 11, 2024.

\*\*Subject to finalization of Basis of Allotment

## Notes to Capital Structure

### 1. Change in Authorized Share Capital of our Company:

Since Incorporation of our Company, the authorized share capital of our Company has been changed in the manner set forth below:

(₹ in lakhs)						
Sr. No.	Particular	Cumulative no. of Equity Shares	Cumulative Authorized Share Equity Capital	Face Value of Equity Shares	Date of the Meeting	Whether AGM/EGM
1.	On incorporation	1,00,000	10.00	10	-	-
2.	Increase in authorized share capital from ₹10.00 Lakhs to ₹25.00 Lakhs	2,50,000	25.00	10	May 16, 2005	EGM
3.	Increase in authorized share capital from ₹25.00 Lakhs to ₹60.00 Lakhs	6,00,000	60.00	10	September 21, 2005	EGM
4.	Increase in authorized share capital from ₹60.00 Lakhs to ₹95.00 Lakhs	9,50,000	95.00	10	March 17, 2007	EGM
5.	Increase in authorized share capital from ₹95.00 Lakhs to ₹300.00 Lakhs	30,00,000	300.00	10	August 27, 2021	EGM
6.	Increase in authorized share capital from ₹300.00 Lakhs to ₹2,500.00 Lakhs	2,50,00,000	2,500.00	10	April 2, 2024	EGM

### 2. Equity Share Capital History of our Company:

#### a. Our existing Paid-up Equity Share Capital has been subscribed and allotted in the manner set forth below:

(₹ in lakhs)									
Sr. No.	Date of Allotment	Nature of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Cumulative Number of Equity Shares	Cumulative Paid-Up Share Capital	Cumulative Share Premium
1.	On Incorporation	Subscription to MOA <sup>(0)</sup>	10,000	10	-	Cash	10,000	1.00	-
2.	April 21, 2005	Private Placement <sup>(1)</sup>	90,000	10	10	Cash	1,00,000	10.00	-
3.	June 1, 2005	Private Placement <sup>(2)</sup>	1,00,000	10	10	Cash	2,00,000	20.00	-
4.	December 19, 2005	Private Placement <sup>(3)</sup>	1,50,000	10	10	Cash	3,50,000	35.00	-
5.	March 16, 2006	Private Placement <sup>(4)</sup>	2,50,000	10	40	Cash	6,00,000	60.00	75.00
6.	February 29, 2008	Private Placement <sup>(5)</sup>	2,00,000	10	50	Cash	8,00,000	80.00	155.00
7.	March 2, 2022	Private Placement <sup>(6)</sup>	1,10,000	10	815	Cash	9,10,000	91.00	1,040.50

Sr. No.	Date of Allotment	Nature of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Cumulative Number of Equity Shares	Cumulative Paid-Up Share Capital	Cumulative Share Premium
8.	March 2022	3, Private Placement (7)	1,10,000	10	815	Cash	10,20,000	102.00	1,926.00
9.	March 2022	4, Private Placement (8)	1,10,000	10	815	Cash	11,30,000	113.00	2,811.50
10.	March 2022	10, Private Placement (9)	1,00,000	10	815	Cash	12,30,000	123.00	3,616.50
11.	March 2022	14, Private Placement (10)	1,00,000	10	815	Cash	13,30,000	133.00	4,421.50
12.	March 2022	15, Private Placement (11)	1,70,000	10	815	Cash	15,00,000	150.00	5,790.00
13.	March 2022	16, Private Placement (12)	1,00,000	10	815	Cash	16,00,000	160.00	6,595.00
14.	October 2023	13, Private Placement (13)	13,333	10	750	Cash	16,13,333	161.33	6,693.66
15.	October 2023	17, Private Placement (14)	26,667	10	750	Cash	16,40,000	164.00	6,891.00
16.	October 2023	19, Private Placement (15)	26,666	10	750	Cash	16,66,666	166.67	7,088.33
17.	October 2023	21, Private Placement (16)	26,666	10	750	Cash	16,93,332	169.33	7,285.66
18.	October 2023	23, Private Placement (17)	40,000	10	750	Cash	17,33,332	173.33	7,581.66
19.	October 2023	26, Private Placement (18)	40,000	10	750	Cash	17,73,332	177.33	7,877.66
20.	October 2023	27, Private Placement (19)	40,000	10	750	Cash	18,13,332	181.33	8,173.66
21.	October 2023	30, Private Placement (20)	40,000	10	750	Cash	18,53,332	185.33	8,469.66
22.	November 1, 2023	Private Placement (21)	40,000	10	750	Cash	18,93,332	189.33	8,765.66
23.	November 4, 2023	Private Placement (22)	40,000	10	750	Cash	19,33,332	193.33	9,061.66
24.	November 6, 2023	Private Placement (23)	40,000	10	750	Cash	19,73,332	197.33	9,357.66
25.	November 9, 2023	Private Placement (24)	40,000	10	750	Cash	20,13,332	201.33	9,653.66
26.	November 20, 2023	Private Placement	48,000	10	750	Cash	20,61,332	206.13	10,008.86

Sr. No.	Date of Allotment	Nature of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Cumulative Number of Equity Shares	Cumulative Paid-Up Share Capital	Cumulative Share Premium
		(25)							
27.	November 21, 2023	Private Placement (26)	48,000	10	750	Cash	21,09,332	210.93	10,364.06
28.	November 22, 2023	Private Placement (27)	16,000	10	750	Cash	21,25,332	212.53	10,482.46
29.	November 28, 2023	Private Placement (28)	8,002	10	750	Cash	21,33,334	213.33	10,541.67
30.	July 11, 2024	Bonus	1,49,33,338	10	-	-	1,70,66,672	1,706.67	9,048.34

<sup>(0)</sup> Subscribers to Memorandum of Association of 5,000 Equity Shares to Shyamsundar Chokhani and 5,000 Equity Shares to Hemanshu S. Chokhani, as enlisted in the Memorandum of Association

<sup>(1)</sup> Allotment of 15,000 Equity Shares made to the Shyamsundar Chokhani, 15,000 Equity Shares made to the Hemanshu S. Chokhani, 30,000 Equity Shares made to the Manjudevi Shyamsundar Chokhani, 30,000 Equity Shares made to the Shyamsundar Chokhani HUF, through private placement, as enlisted in the return of allotment filed

<sup>(2)</sup> Allotment of 30,000 Equity Shares made to the Shyamsundar Chokhani, 30,000 Equity Shares made to the Hemanshu S. Chokhani, 20,000 Equity Shares made to the Manjudevi Shyamsundar Chokhani, 20,000 Equity Shares made to the Shyamsundar Chokhani HUF, through private placement, as enlisted in the return of allotment filed

<sup>(3)</sup> Allotment of 50,000 Equity Shares made to the Hemanshu S. Chokhani, 50,000 Equity Shares made to the Manjudevi Shyamsundar Chokhani, 50,000 Equity Shares made to the Shyamsundar Chokhani HUF, through private placement, as enlisted in the return of allotment filed

<sup>(4)</sup> Allotment of 25,000 Equity Shares made to the Brightstar Merchandise Private Limited, 12,500 Equity Shares made to the Chandra Prakash Bansal, 25,000 Equity Shares made to the Kasturi Towers Limited, 25,000 Equity Shares made to the Maharaja Vinimay Private Limited, 12,500 Equity Shares made to Nandkishor Agrawal, 2,500 Equity Shares made to Nav Ratan Agarwal, 12,500 Equity Shares made to Sanjay Kumar Khetan, 25,000 Equity Shares made to Suhana Management Private Limited, 16,250 Equity Shares made to Magna Vanijya Limited, 30,000 Equity Shares made to Basudeo Bajaj HUF, 25,000 Equity Shares made to Jas Jog Consolidated Trading Private Limited, 27,500 Equity Shares made to Astute Advisors Private Limited, 11,250 Equity Shares made to Rajkiran Textiles Private Limited, through private placement, as enlisted in the return of allotment filed

<sup>(5)</sup> Allotment of 70,000 Equity Shares made to the Brightstar Merchandise Private Limited, 76,000 Equity Shares made to the Kasturi Towers Limited, 20,000 Equity Shares made to Magna Vanijya Limited, 10,000 Equity Shares made to Basudeo Bajaj HUF, 10,000 Equity Shares made to Nilima Distributors Private Limited, 14,000 Equity Shares made to Kirti Goods Private Limited, through private placement, as enlisted in the return of allotment filed.

<sup>(6)</sup> Allotment of 1,10,000 Equity Shares made to the Pavankumar Sanwaria Realty Private Limited through private placement, as enlisted in the return of allotment filed

<sup>(7)</sup> Allotment of 1,10,000 Equity Shares made to the Pavankumar Sanwaria Realty Private Limited through private placement, as enlisted in the return of allotment filed

<sup>(8)</sup> Allotment of 1,10,000 Equity Shares made to the Pavankumar Sanwaria Realty Private Limited through private placement, as enlisted in the return of allotment filed

<sup>(9)</sup> Allotment of 1,00,000 Equity Shares made to the Pavankumar Sanwaria Realty Private Limited through private placement, as enlisted in the return of allotment filed

<sup>(10)</sup> Allotment of 1,00,000 Equity Shares made to the Pavankumar Sanwaria Realty Private Limited through private placement, as enlisted in the return of allotment filed

<sup>(11)</sup> Allotment of 1,70,000 Equity Shares made to the Pavankumar Sanwaria Realty Private Limited through private placement, as enlisted in the return of allotment filed

<sup>(12)</sup> Allotment of 1,00,000 Equity Shares made to the Pavankumar Sanwaria Realty Private Limited through private placement, as enlisted in the return of allotment filed

<sup>(13)</sup> Allotment of 13,333 Equity Shares made to the Karan Singh Wilkhoo through private placement, as enlisted in the return of allotment filed

<sup>(14)</sup> Allotment of 26,667 Equity Shares made to the Karan Singh Wilkhoo through private placement, as enlisted in the return of allotment filed

<sup>(15)</sup> Allotment of 26,666 Equity Shares made to the Karan Singh Wilkhoo through private placement, as enlisted in the return of allotment filed

<sup>(16)</sup> Allotment of 26,666 Equity Shares made to the Karan Singh Wilkhoo through private placement, as enlisted in the return of allotment filed.

<sup>(17)</sup> Allotment of 40,000 Equity Shares made to the Karan Singh Wilkhoo through private placement, as enlisted in the return of allotment filed.

<sup>(18)</sup> Allotment of 40,000 Equity Shares made to the Karan Singh Wilkhoo through private placement, as enlisted in the return of allotment filed.

<sup>(19)</sup> Allotment of 40,000 Equity Shares made to the Karan Singh Wilkhoo through private placement, as enlisted in the return of allotment filed.

<sup>(20)</sup> Allotment of 40,000 Equity Shares made to the Karan Singh Wilkhoo through private placement, as enlisted in the return of allotment filed.

<sup>(21)</sup> Allotment of 40,000 Equity Shares made to the Karan Singh Wilkhoo through private placement, as enlisted in the return of allotment filed.

<sup>(22)</sup> Allotment of 40,000 Equity Shares made to the Karan Singh Wilkhoo through private placement, as enlisted in the return of allotment filed.

<sup>(23)</sup> Allotment of 40,000 Equity Shares made to the Karan Singh Wilkhoo through private placement, as enlisted in the return of allotment filed.

<sup>(24)</sup> Allotment of 40,000 Equity Shares made to the Karan Singh Wilkhoo through private placement, as enlisted in the return of allotment filed.

<sup>(25)</sup> Allotment of 48,000 Equity Shares made to the Karan Singh Wilkhoo through private placement, as enlisted in the return of allotment filed.

<sup>(26)</sup> Allotment of 48,000 Equity Shares made to the Karan Singh Wilkhoo through private placement, as enlisted in the return of allotment filed.

<sup>(27)</sup> Allotment of 16,000 Equity Shares made to the Karan Singh Wilkhoo through private placement, as enlisted in the return of allotment filed.

<sup>(28)</sup> Allotment of 8,002 Equity Shares made to the Karan Singh Wilkhoo through private placement, as enlisted in the return of allotment filed.

<sup>(29)</sup> Bonus Allotment made to the Vikas Pavankumar of 7,000 Equity Shares, Hemanshu S. Chokhani jointly held with Manjudevi Shyamsundar Chokhani of 7,000 Equity Shares, Shyamsundar Chokhani of 10,50,000 Equity Shares, Pavankumar Sanwaria Realty Private Limited of 55,92,965 Equity Shares, Hemanshu Syntex Private Limited of 24,43,000 Equity Shares, Shyamsundar Chokhani HUF of 7,00,000 Equity Shares, Manjudevi Shyamsundar Chokhani jointly held with Shyamsundar Chokhani of 14,00,000 Equity Shares, Karan Wilkhoo of 37,33,373 Equity Shares, as enlisted in the return of allotment filed.

b. As on the date of this Draft Red Herring Prospectus, our Company does not have any Preference Share Capital.

3. Except as mentioned below, our Company has not issued any Equity Shares in the last two years preceding the date of the Draft Red Herring Prospectus, for consideration other than cash or by way of bonus issue or out of revaluation of reserves:

The details of allotment of 1,49,33,338 Equity Shares made on July 11, 2024 by way of Bonus Issue in ratio

of 7:1 i.e., 7 (Seven) New Equity Shares for every 1(One) Equity Shares, are as follows:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)
1.	Pavankumar Sanwaria Realty Private Limited	55,92,965	10	Nil
2.	Karan Wilkhoo	37,33,373	10	Nil
3.	Hemanshu Syntex Private Limited	24,43,000	10	Nil
4.	Manjudevi Shyamsundar Chokhani <sup>(1)</sup>	14,00,000	10	Nil
5.	Shyamsundar Chokhani <sup>(2)</sup>	10,50,000	10	Nil
6.	Shyamsundar Chokani HUF	7,00,000	10	Nil
7.	Vikas Pavankumar	7,000	10	Nil
8.	Hemanshu S. Chokhani <sup>(3)</sup>	7,000	10	Nil

Notes: <sup>(1)</sup> Jointly held with Shyamsundar Chokhani

<sup>(2)</sup> Jointly held with Manjudevi Shyamsundar Chokhani

<sup>(3)</sup> Jointly held with Manjudevi Shyamsundar Chokhani

4. Our Company does not have any outstanding convertible warrants as on date of filing this Draft Red Herring Prospectus.
5. Our Company has not allotted any Equity Shares pursuant to a scheme of amalgamation approved under Section 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.
6. The Company does not have any employee stock option schemes under which any equity shares of the Company is granted. Accordingly, no Equity Shares have been issued or transferred by our Company pursuant to the exercise of any employee stock options.
7. Our Company has not issued any equity shares lower than the Issue Price during the preceding 1 (one) year.
8. Our Company has not revalued our assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

## 9. Shareholding Pattern of our Company

The table below presents the equity shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus.

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of underlying Depository Receipts (VI)	Total number of shares held = (IV)+(V)+ (VII) (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)		Total as a % of (A+B+C)	Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Class: Equity Shares	Total				Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
(A)	Promoters and Promoter Group	8	1,70,66,672	-	-	1,70,66,672	100.00	1,70,66,672	1,70,66,672	100.00	-	100.00	-	-	-	-	1,70,66,672
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total (A+B+C)</b>	8	1,70,66,672	-	-	1,70,66,672	100.00	1,70,66,672	1,70,66,672	100.00	-	100.00	-	-	-	-	1,70,66,672

### Notes

- As on date of this Draft Red Herring Prospectus 1 Equity share holds 1 vote.
- We have only one class of Equity Shares of face value of ₹ 10/- each.
- We have entered into tripartite agreement dated July 03, 2024 and July 10, 2024, with CDSL & NSDL respectively
- Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the Website of the BSE before commencement of trading of such Equity Shares.



## 10. Other details of shareholding of our Promoter and Promoter Group

As on the date of the filing of this Draft Red Herring Prospectus, our Company has 8 Shareholders and holds 1,70,66,672 Equity Shares representing 100.00 % of pre issue paid up equity share capital of our Company.

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

Date of Allotment / Acquisition	Number of Equity Shares Allotted / Transferred	Face value per Equity Share (₹)	Issue / Transfer Price per Equity Share (₹)	Nature of Consideration	Nature of Allotment / Transfer	% of Pre-Issue capital	% of post-issue capital
<b>Vikas Pavankumar</b>							
March 30, 2024	1,000	10	750	Cash	Transfer From Pavankumar Sanwaria Realty Private Limited	0.01%	[●]
July 11, 2024	7,000	10	Nil*	NA	Bonus	0.04%	[●]
<b>Total</b>	<b>8,000</b>					<b>0.05%</b>	<b>[●]</b>
<b>Hemanshu S. Chokhani <sup>(1)</sup></b>							
On Incorporation	5,000	10	10	Cash	Allotment on Subscription of MOA	0.03%	[●]
April 21, 2005	15,000	10	10	Cash	Further Allotment	0.09%	[●]
June 1, 2005	30,000	10	10	Cash	Further Allotment	0.18%	[●]
December 19, 2005	50,000	10	10	Cash	Further Allotment	0.29%	[●]
April 20, 2007	12,500	10	10	Cash	Transfer From Nandkhishor Agarwal	0.07%	[●]
June 18, 2007	25,000	10	10	Cash	Transfer From Jas Jog Consolidated Trading Private Limited	0.14%	[●]
June 18, 2007	12,500	10	10	Cash	Transfer From Chandra Prakash Bansal	0.07%	[●]
February 20, 2010	(1,00,000)	10	40	Cash	Transfer to Hemanshu Syntex Private Limited	(0.59)%	[●]
August 30, 2010	(49,000)	10	40	Cash	Transfer to Hemanshu Syntex Private Limited	(0.29)%	[●]
July 11, 2024	7,000	10	Nil	NA	Bonus	0.04%	[●]
<b>Total</b>	<b>8,000</b>					<b>0.05%</b>	<b>[●]</b>

Date of Allotment / Acquisition	Number of Equity Shares Allotted / Transferred	Face value per Equity Share (₹)	Issue / Transfer Price per Equity Share (₹)	Nature of Consideration	Nature of Allotment / Transfer	% of Pre-Issue capital	% of post-issue capital
<b>Pavankumar Sanwaria Realty Private Limited</b>							
March 2, 2022	1,10,000	10	815	Cash	Further Allotment	0.64%	[●]
March 3, 2022	1,10,000	10	815	Cash	Further Allotment	0.64%	[●]
March 4, 2022	1,10,000	10	815	Cash	Further Allotment	0.64%	[●]
March 10, 2022	1,00,000	10	815	Cash	Further Allotment	0.58%	[●]
March 14, 2022	1,00,000	10	815	Cash	Further Allotment	0.58%	[●]
March 15, 2022	1,70,000	10	815	Cash	Further Allotment	0.99%	[●]
March 16, 2022	1,00,000	10	815	Cash	Further Allotment	0.58%	[●]
February 14, 2023	(5)	10	815	Cash	Transfer to Karan Wilkhoo	Negligible	[●]
March 30, 2024	(1000)	10	750	Cash	Transfer to Vikas Pavankumar	Negligible.	[●]
July 11, 2024	55,92,965	10	Nil	N.A.	Bonus	32.77%	[●]
Total	<b>63,91,960</b>					37.45%	[●]
<b>Hemanshu Syntex Private Limited</b>							
December 10, 2009	14,000	10	12	Cash	Transfer from Kirti Goods Private Limited	0.08%	[●]
December 10, 2009,	10,000	10	12	Cash	Transfer from Nilima Distributors Private Limited	0.05%	[●]
December 10, 2009,	10,000	10	12	Cash	Transfer from Shree Tex Industries	0.06%	[●]
December 10, 2009	70,000	10	12	Cash	Transfer from Brightstar Mercantile Limited	0.41%	[●]
December 10, 2009	76,000	10	12	Cash	Transfer from Kasturi Towers Limited	0.45%	[●]
December 10, 2009	20,000	10	12	Cash	Transfer from Meghna Vanjya Limited	0.12%	[●]
February 20, 2010	1,00,000	10	40	Cash	Transfer from Hemanshu S. Chokhani	0.59%	[●]
August 30, 2010	49,000	10	40	Cash	Transfer from Hemanshu S.	0.29%	[●]

Date of Allotment / Acquisition	Number of Equity Shares Allotted / Transferred	Face value per Equity Share (₹)	Issue / Transfer Price per Equity Share (₹)	Nature of Consideration	Nature of Allotment / Transfer	% of Pre-Issue capital	% of post-issue capital
July 11, 2024	24,43,000	10	Nil	N.A.	Chokhani Bonus	14.31%	[●]
<b>Total</b>	<b>27,92,000</b>					<b>16.35%</b>	<b>[●]</b>

Notes: <sup>(1)</sup> Jointly held with Manjudevi Chokani

## 11. List of Shareholders of the Company holding 1% or more of the paid-up Share Capital of the Company

### a. As on the date of filing of this Draft Red Herring Prospectus

Sr. No.	Name of Shareholder	Shares Held (Face Value of ₹10 each)	% of Pre-Issue paid up Share Capital
1	Pavankumar Sanwaria Realty Private Limited	63,91,960	37.45
2	Karan Wilkhoo	42,66,712	25.00
3	Hemanshu Syntex Private Limited	27,92,000	16.36
4	Manjudevi Shyamsundar Chokhani <sup>(1)</sup>	16,00,000	9.37
5	Shyamsundar Chokhani <sup>(2)</sup>	12,00,000	7.03
6	Shyamsundar Chokhani HUF	8,00,000	4.69
	<b>Total</b>	<b>1,70,50,672</b>	<b>99.90</b>

Notes: <sup>(1)</sup> Jointly held with Shyamsundar Chokhani

<sup>(2)</sup> Jointly held with Manjudevi Shyamsundar Chokhani

### b. 10 days prior to date of filing of this Draft Red Herring Prospectus i.e. July 09, 2024

Sr. No.	Name of Shareholder	Shares Held (Face Value of ₹10 each)	% of Pre-Issue paid up Share Capital
1	Pavankumar Sanwaria Realty Private Limited	7,98,995	37.45%
2	Karan Wilkhoo	5,33,339	25.00%
3	Hemanshu Syntex Private Limited	3,49,000	16.36%
4	Manjudevi Shyamsundar Chokhani <sup>(1)</sup>	2,00,000	9.37%
5	Shyamsundar Chokhani <sup>(2)</sup>	1,50,000	7.03%
6	Shyamsundar Chokhani HUF	1,00,000	4.69%
	<b>Total</b>	<b>21,31,334</b>	<b>99.90%</b>

Notes: <sup>(1)</sup> Jointly held with Shyamsundar Chokhani

<sup>(2)</sup> Jointly held with Manjudevi Shyamsundar Chokhani

### c. One year prior to date of filing of this Draft Red Herring Prospectus i.e. July 19, 2023

Sr. No.	Name of Shareholder	Shares Held (Face Value of ₹10 each)	% of Pre-Issue paid up Share Capital
1	Pavankumar Sanwaria Realty Private Limited	7,99,995	50.00%
2	Hemanshu Syntex Private Limited	3,49,000	21.81%
3	Manjudevi Shyamsundar Chokhani <sup>(1)</sup>	2,00,000	12.50%
4	Shyamsundar Chokhani <sup>(2)</sup>	1,50,000	9.38%
5	Shyamsundar Chokhani HUF	1,00,000	6.25%

Sr. No.	Name of Shareholder	Shares Held (Face Value of ₹10 each)	% of Pre-Issue paid up Share Capital
<b>Total</b>		<b>15,98,995</b>	<b>99.94%</b>

<sup>(1)</sup> Jointly held with Shyamsundar Chokhani <sup>(2)</sup> Jointly held with Manjudevi Shyamsundar Chokhani

d. **Two years prior to date of filing of this Draft Red Herring Prospectus i.e. July 19, 2022**

Sr. No.	Name of Shareholder	Shares Held (Face Value of ₹10 each)	% of Pre-Issue paid up Share Capital
1	Pavankumar Sanwaria Realty Private Limited	8,00,000	50.00%
2	Hemanshu Syntex Private Limited	3,49,000	21.81%
3	Manjudevi Shyamsundar Chokhani <sup>(1)</sup>	2,00,000	12.50%
4	Shyamsundar Chokhani <sup>(2)</sup>	1,50,000	9.38%
5	Shyamsundar Chokhani HUF	1,00,000	6.25%
<b>Total</b>		<b>15,99,000</b>	<b>99.94%</b>

Notes: <sup>(1)</sup> Jointly held with Shyamsundar Chokhani

<sup>(2)</sup> Jointly held with Manjudevi Shyamsundar Chokhani

12. **The shareholding of the Promoters and Promoter Group as of the date of filing the Draft Red Herring Prospectus, i.e. July 19, 2024**

Sr. No.	Name of the Shareholder	Number of Equity Shares	% Pre-Issue Equity Share capital (%)*	% Post-Issue Equity Share capital (%)
<b>Promoters</b>				
1	Hemanshu Syntex Private Limited	27,92,000	16.36%	[●]
2	Pavankumar Sanwaria Realty Private Limited	63,91,960	37.45%	[●]
3	Hemanshu S. Chokhani <sup>(1)</sup>	8,000	0.05%	[●]
4	Vikas Pavankumar	8,000	0.05%	[●]
<b>Promoter Group</b>				
1	Karan Wilkhoo	42,66,712	25.00%	[●]
2	Manjudevi Shyamsundar Chokhani <sup>(2)</sup>	16,00,000	9.37%	[●]
3	Shyamsundar Chokhani <sup>(3)</sup>	12,00,000	7.03%	[●]
4	Shyamsundar Chokhani HUF	8,00,000	4.69%	[●]

Notes: <sup>(1)</sup> Jointly held with Manjudevi Shyamsundar Chokhani

<sup>(2)</sup> Jointly held with Shyamsundar Chokhani

<sup>(3)</sup> Jointly held with Manjudevi Shyamsundar Chokhani

13. **Except as provided below no Equity Shares were acquired/ purchased/ sold by the Promoters and Promoter Group, Directors and their immediate relatives within six months immediately preceding the date of filing of this Draft Red Herring Prospectus:**

Sr. No.	Date of Allotment/ Transfer	Name of the Shareholder	Number of Equity Shares	% of the Pre-Issue Equity Share capital (%) *	Purchase/Sold
1	February 14, 2023	Pavankumar Sanwaria Realty Private Limited	1,000	Negligible	Shares transferred to Vikas Pavankumar
2	March 30, 2024	Vikas Pavankumar	1,000	Negligible	Shares transferred from Pavankumar

Sr. No.	Date of Allotment/ Transfer	Name of the Shareholder	Number of Equity Shares	% of the Pre-Issue Equity Share capital (%) *	Purchase/Sold
					Sanwaria Realty Private Limited
3	July 11, 2024	Pavankumar Sanwaria Realty Private Limited	55,92,965	32.77%	Bonus Issue
4	July 11, 2024	Hemanshu Syntex Private Limited	24,43,000	14.31%	Bonus Issue
5	July 11, 2024	Karan Wilkhoo	37,33,373	21.87%	Bonus Issue
6	July 11, 2024	Manjudevi Shyamsundar Chokhani <sup>(1)</sup>	14,00,000	8.20%	Bonus Issue
7	July 11, 2024	Shyamsundar Chokhani <sup>(2)</sup>	10,50,000	6.15%	Bonus Issue
8	July 11, 2024	Shyamsundar Chokani HUF	7,00,000	4.10%	Bonus Issue
9	July 11, 2024	Vikas Pavankumar	7,000	0.04%	Bonus Issue
10	July 11, 2024	Hemanshu S. Chokhani <sup>(3)</sup>	7,000	0.04%	Bonus Issue

Notes: <sup>(1)</sup> Jointly held with Shyamsundar Chokhani

<sup>(2)</sup> Jointly held with Manjudevi Shyamsundar Chokhani

<sup>(3)</sup> Jointly held with Manjudevi Shyamsundar Chokhani

14. The members of the Promoters' Group, our directors and the relatives of our directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months immediately preceding the date of filing the Draft Red Herring Prospectus.

**15. Details of Promoter's Contribution locked in for 3 years**

Pursuant to the Regulation 236 and 238 of the SEBI ICDR Regulations, an aggregate of 20.00% of the Post-Issue Equity Share Capital held by our Promoters shall be considered as promoters' contribution ("Promoters' Contribution") and locked-in for a period of three years from the date of Allotment of the Equity Shares. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Draft Red Herring Prospectus, our Promoters hold 91,99,960 Equity Shares constituting 53.91 % of the pre-issued, subscribed and paid-up Equity Share Capital of our Company, which are eligible for the Promoters' contribution.

Our Promoters, [●], have given written consent to include [●] Equity Shares held by them and subscribed by them as part of Promoters Contribution constituting [●] % of the post issue Equity Shares of our Company. Further, they have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters contribution, for a period of three years from the date of allotment in the Issue.

Name of Promoters	Number of Equity Shares locked-in	Date of allotment of Equity Shares and when made fully paid-up	Nature of transaction	Face Value per Equity Share (₹)	Issue / Acquisition price per Equity Share (₹)	Percentage of the pre-Issue paid-up capital (%)	Percentage of the post-Issue paid-up capital (%)	Date up to which Equity Shares are subject to lock-in
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>Total</b>	<b>[•]</b>				<b>[•]</b>	<b>[•]</b>	<b>[•]</b>	

Note: To be updated at the Prospectus stage.

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "Promoter" under the SEBI (ICDR) Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 237 of the SEBI (ICDR) Regulations and are being locked in for 3 years as per Regulation 238(a) of the SEBI (ICDR) Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this Issue.

The entire pre-issue shareholding of the Promoters and Promoter Group, other than the Minimum Promoters contribution, which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

16. All the Equity Shares held by our Promoters are in dematerialized form.
17. Compliance with regulation 237 of SEBI ICDR Regulations, the minimum Promoter's contribution of 20% as shown above which is subject to lock-in for three years, we confirm the following:

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares Forming part of the Promoters Contribution
237(1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	Eligible
237(1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution.	Eligible
237 (1) (b)	Specified securities acquired by the promoters' and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India, or any non-individual public shareholder holding at least five per cent. of the post-issue capital or any entity (individual or non-individual) forming part of promoter group other than the promoter(s) during the preceding one year at a price lower than the price at which specified securities are being Issued to the public in the initial public offer.	Eligible
237 (1) (c)	Specified securities allotted to the promoters and	Eligible

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares Forming part of the Promoters Contribution
	alternative investment funds during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms or limited liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoters of the issuer and there is no change in the management.	
237 (1) (d)	Specified securities pledged with any creditor	Eligible

#### 18. Compliance with Lock-in Requirements

The entire pre-issue paid-up capital of the Company shall remain locked in as per requirements of Regulations 238 & 239 of the SEBI ICDR Regulations as detailed hereinafter:

As required by clause (a) of Regulation 238, Minimum Promoters' Contribution i.e. [●] Equity Shares held by our promoters [●] which shall [●] % of proposed post-issue paid up capital shall be locked-in for a period of three years from the date of allotment in the Initial Public Offer

As required by clause (b) of Regulation 238, the excess of minimum promoters' contribution i.e. [●] Equity Shares held by our Promoters shall be locked-in for a period of one year from the date of allotment in present Initial Public Offer; and

As required by Regulation 239, the entire pre-issue capital held by persons other than the promoters i.e. [●] Equity Shares shall be locked-in for a period of one year from the date of allotment in the present Initial Public Offer.

#### 19. Inscription or recording of non-transferability

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

#### 20. Pledge of Locked in Equity Shares

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by our Promoter and locked in may be pledged as a collateral security for a loan granted by a scheduled commercial bank or public financial institution or a systemically important non-banking finance company or housing finance company, subject to following:

In case of Minimum Promoters' Contribution, the loan has been granted to the issuer 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.

In case of Equity Shares held by Promoters in excess of Minimum Promoters' contribution, the pledge of equity shares is one of the terms of sanction of the loan.

However, 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 has expired.

#### 21. Transferability of Locked in Equity Shares

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

The Equity Shares held by our Promoter and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to 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.

The equity shares held by persons other than Promoter and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including 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.

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

50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investors Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining 50% of the Equity Shares shall be locked-in for a period of 30 days from the date of Allotment.

**23. Employee stock option schemes**

The Company does not have any employee stock option schemes under which any equity shares of the Company are granted. Accordingly, no Equity Shares have been issued or transferred by our Company pursuant to the exercise of any employee stock options.

There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares as on the date of this Draft Red Herring Prospectus.

**Other Confirmations**

24. Our Company, our Directors and the Book Running Lead Manager have not entered into any buy-back arrangements for the purchase of Equity Shares being Issued through Draft Red Herring Prospectus from any person.
25. We have 8 shareholders as on the date of filing of this Draft Red Herring Prospectus. As on the date of this Draft Red Herring Prospectus, the entire Issued, Subscribed and Paid-up Equity Share Capital of our Company is fully paid up. Since the entire issue price in respect of the Issue is payable on application, all the successful applicants will be allotted fully paid-up Equity Shares.
26. The Book Running Lead Manager and their associates do not hold any Equity Shares of our Company as on the date of this Draft Red Herring Prospectus. The BRLM and its affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may, in the future, engage in investment banking transactions with our Company for which they may receive customary compensation.
27. Prior to this Initial Public Offer, our Company has not made any public issue or right issue to public at large.
28. Our Company has not raised any bridge loan against the proceeds of the Issue.
29. As on the date of filing of the Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.



30. As per RBI regulations, OCBs are not allowed to participate in this Issue.
31. As on date of the Draft Red Herring Prospectus, other than the Equity Shares, there is no other class of securities issued by our Company.
32. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
33. As on the date of this Draft Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are subject to any pledge.
34. We here by confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares Issued have been listed or application money unblocked on account of failure of Issue. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the Issue, by way of consolidation of the denomination of Equity Shares. 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 listing of equity shares 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 of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.
35. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI and other regulatory authorities from time to time.
36. There are no Equity Shares against which depository receipts have been issued.
37. There are no safety net arrangements for this Public Issue.
38. Our Promoters and Promoter Group will not participate in this Issue.
39. This Issue is being made through Book Building Process.
40. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Shares 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.
41. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
42. Our Company shall ensure that any transactions in Equity Shares by our Promoters and the Promoter Group during the period between the date of filing this Draft Red Herring Prospectus and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of the transactions.
43. Except as stated below, none of our other Directors or Key Managerial Personnel holds Equity Shares in our Company.

Sr. No.	Name of Individual	Designation	Number of Equity Shares	% of Pre-Issue paid up Share Capital
1	Vikas Pavankumar	Chairman and Managing Director	8,000	Negligible
2	Hemanshu S. Chokhani <sup>(1)</sup>	Whole Time Director and Chief Financial Officer	8,000	Negligible
3	Shyamsundar Chokhani <sup>(2)</sup>	Whole Time Director	12,00,000	7.03

<sup>(1)</sup> Jointly held with Manjudevi Shyamsundar Chokhani

<sup>(2)</sup> Jointly held with Manjudevi Shyamsundar Chokhani

## OBJECTS OF THE ISSUE

Our Company intends to utilize the gross proceeds raised through the Issue (“**Gross Proceeds**”), after deducting the Issue related expenses (“**Net Proceeds**”), for the following objects:

1. To meet long-term working capital requirements; and
2. General Corporate Purposes.

(collectively, referred to “**Objects**”)

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

The Main Objects clause and objects incidental and ancillary to the Main Objects as set out in the Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through the Issue.

### Issue Proceeds

The details of the Issue Proceeds are set forth in the table below:

Particulars	Amount
Gross Proceeds from this Issue <sup>^</sup>	Up to [●]*
Less: Estimated Issue related expenses*	[●]
<b>Net Proceeds from the Issue</b>	<b>[●]</b>

<sup>^</sup> assuming full subscription and allotment.

\*to be finalized upon determination of the Issue Price and updated in the Prospectus at the time of filing with the RoC.

### Utilisation of Net Proceeds and Schedule of Deployment

The proposed utilisation of the Net Proceeds by our Company is set forth in the following table:

Particulars	Amount which will be financed from Net Proceeds	Proposed schedule for deployment of the Net Proceeds Fiscal 2025
Utilization towards long-term working capital requirements of our Company	7,500.00	7,500.00
General Corporate Purposes*	[●]	[●]
<b>Total Net proceeds<sup>^</sup></b>	<b>[●]</b>	<b>[●]</b>

\*To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for General Corporate Purposes will not exceed 25% of the Gross Proceeds.

<sup>^</sup> Assuming full subscription and subject to finalization of basis of allotment.

The funding requirements mentioned above are based on management estimates and current business plans. However, such fund requirements and deployment of funds have not been appraised by any bank, financial institution or any other external agency. For further details, see ‘*Risk Factors – Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency and are based on management estimates and may be subject to change based on various factors, some of which beyond our control. Any changes in the estimated funding requirements could affect our business and results of operations.*’ on page 39 of this Draft Red Herring Prospectus. We may have to revise our funding requirements and deployment on account of a variety of factors, such as our financial and market condition, business and strategy, competition, negotiation with customers and vendors, variation in cost estimates on account of various factors and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the planned utilisation of net proceeds and funding proceeds at the discretion of our management, subject to compliance with applicable laws. For details, see ‘*Risk Factors - Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholder’s approval.*’ on page 40 of this Draft Red Herring Prospectus.

If the estimated utilization of the Net Proceeds in a scheduled financial year is not completely met, due to reasons stated above, the same shall be utilised in the next financial year, as may be determined by our Company, in accordance with applicable laws. Subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements. Our management expects that such alternate means would be available to fund any such shortfall. Further, if the actual utilisation towards the Object is lower than the proposed deployment, such balance will be used for future growth opportunities and towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations.

### Means of Finance

The fund requirements set out above is proposed to be entirely funded from the Net Proceeds, working capital loans from bank and internal accruals. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations. In case of shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals, any additional equity and/or debt arrangements.

### Details of the Objects of this Issue

#### 1. To meet long-term working capital requirements

Working capital enables the business to take advantage of favorable market conditions and seize opportunities for growth. It provides the flexibility expand the product line, allowing the business to meet customer demands and stay competitive in the market and order to support the incremental business requirements, our Company requires additional funds in financial year ended March 31, 2025, for its working capital requirements.

#### *Basis of estimation of working capital requirement*

The details of our Company's working capital for Fiscal 2022, 2023 and 2024 their source of funding, derived on the basis of standalone restated financial statements of our Company and on the basis of existing and estimated working capital requirement of our Company, on a standalone basis, and assumptions for such working capital requirements, our Board, pursuant to its resolution dated July 16, 2024, has approved the projected working capital requirements for Fiscal 2025 and the details of such working capital are as set forth below:

Sr. No.	Particulars	<i>(₹ in lakhs)</i>			
		Fiscal 2022 (Audited)	Fiscal 2023 (Audited)	Fiscal 2024 (Audited)	Fiscal 2025 (Projected)
I	<b>Current Assets</b>				
1	Inventories	12,971.68	31,567.42	39,655.48	46,311.32
2	Trade Receivables	17,836.05	12,521.62	18,230.20	37,846.95
3	Cash & Cash Equivalents (including Margin Money with Banks)	10,362.49	13,379.34	18,067.76	29,160.13
4	Other Current Assets	1,166.58	2,600.39	3,739.50	5,181.13
	<b>Total (A)</b>	<b>42,336.80</b>	<b>60,068.77</b>	<b>79,692.94</b>	<b>1,18,499.53</b>
II	<b>Current Liabilities</b>				
1	Trade Payables	19,444.85	11,567.59	27,764.55	44,351.90

Sr. No.	Particulars	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
		(Audited)	(Audited)	(Audited)	(Projected)
2	Short Term provisions	26.60	4.39	331.59	2,352.78
3	Other Current Liabilities (including current maturity of long term debt)	5,031.02	7,863.39	3,177.41	3,698.00
	<b>Total (B)</b>	<b>24,502.47</b>	<b>19,435.37</b>	<b>31,273.55</b>	<b>50,402.68</b>
III	<b>Total Working Capital Gap (A-B)</b>	<b>17,834.33</b>	<b>40,633.40</b>	<b>48,419.39</b>	<b>68,096.85</b>
IV	<b>Funding pattern</b>				
a)	Short Term Borrowings (incl. working capital facilities from banks)	5,903.32	22,510.30	22,619.33	27,500.00
b)	Internal accruals	11,931.01	18,123.10	25,800.06	33,096.85
c)	Amount proposed to be utilized from Net Proceeds	-	-	-	7,500.00

***Assumptions for our estimated working capital requirements***

The table below contains details of the holding levels (days) and estimated holding levels (days) for financial year Fiscal 2025:

Sr No	Particulars	Basis	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
1	Trade Receivables	Days	76	41	43	60
2	Inventories (Stock-in-trade and finished goods)	Days	55	103	94	75
3	Trade Payables	Days	76	35	69	75

***Justification for holding period levels:***

<b>Inventories</b>	The average inventory holding level in Fiscal 2022, 2023 and 2024, were 55, 103 and 94 days respectively. We believe that considering the size of market size, overall economic conditions and various factors involved in our business operations, the holding level is expected to be at 75 days for fiscal 2025.
<b>Trade Receivables</b>	The debtors' realization for Fiscal 2022, 2023 and 2024, were 76, 41 and 43 days. Basis our expected increase in business activities, we believe average collection period of 60 days for fiscal 2025, seems realistic and achievable, given the current business developments.
<b>Trade Payables</b>	During Fiscal 2022, 2023 and 2024, our trades payables period were 76, 35 and 69 days respectively. However, for fiscal 2025, we expect the creditors payment period to be 75 days.

**2. General Corporate Purposes**

In terms of Regulation 230(2) of the SEBI ICDR Regulations, the extent of the Issue Proceeds proposed to be used for general corporate purposes must not exceed 25% of the Gross Proceeds. Our Board will have flexibility in applying the balance amount towards part or full repayment/prepayment of outstanding borrowings, meeting our working capital requirements, capital expenditure, funding our growth opportunities, including strategic initiatives, meeting expenses incurred in the ordinary course of business including salaries and wages, administration expenses, insurance related expenses, meeting of exigencies

which our Company may face in course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time.

Our management, in response to the competitive and dynamic nature of our industry and business, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilisation of funds towards any of the purposes will be determined by the Board or a duly appointed committee, based on the amount actually available under this head and the business requirements of our Company, from time to time.

### Estimated Issue related expenses

The total expense of this Issue is estimated to be ₹ [●] lakhs. The break-up of the Issue expenses is as follows:

Particulars	Amount* (₹ in lakhs)	% of Estimated Issue related expenses	% of Estimated Issue size
Fees payable to BRLM (including selling commission, brokerage and underwriting commission, as applicable) ^	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Issue and bidding/uploading charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs	[●]	[●]	[●]
Fees payable to the Registrar to the Issue	[●]	[●]	[●]
Others			
(i) Listing fees, SEBI filing fees, BSE processing fees, book building software fees, and other regulatory expenses;	[●]	[●]	[●]
(ii) Printing and stationery expenses;	[●]	[●]	[●]
(iii) Advertising and marketing expenses;	[●]	[●]	[●]
(iv) Fees payable to legal counsel;	[●]	[●]	[●]
(v) Miscellaneous (including fees payable to auditors, consultants, market research firms and other professional agencies)	[●]	[●]	[●]
<b>Total estimated Issue expenses*</b>	[●]	[●]	[●]

\* Amounts will be finalised and incorporated in the Prospectus on determination of Issue Price

^ The details of the fees and commissions payable to Designated Intermediaries will be updated at the time of filing of Prospectus with RoC.

### Bridge Financing Facilities

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

### Interim use of Net Proceeds

Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934, as may be approved by our Board of Directors. Our Company confirms that pending utilization of the Net Proceeds towards the stated objects of the Issue, our Company shall not use/deploy the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

### **Monitoring of utilization of funds**

In accordance with Regulation 262 of the SEBI ICDR Regulations, our Company will appoint a monitoring agency to monitor the utilisation of the Net Proceeds, including the proceeds proposed to be utilised towards general corporate purposes, prior to filing of the Red Herring Prospectus with the RoC. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds (including in relation to the utilisation of the Net Proceeds towards the general corporate purposes) and the Monitoring Agency shall submit the report required under Regulation 262(2) of the SEBI CDR Regulations, on a quarterly basis, until such time as the Net Proceeds have been utilised in full. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose and continue to disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised, till the time any part of the Fresh Issue proceeds remains unutilised. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the Objects; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Directors' report, after placing the same before the Audit Committee

### **Variation in Objects**

In compliance with Section 27 of the Companies Act, 2013, our Company will not vary the Objects of the Issue unless our Company is authorized to do so by way of a special resolution of its Shareholders and such variation will be in accordance with applicable laws, including the Companies Act, 2013 and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act, 2013 and applicable rules. The notice shall simultaneously be published in the newspapers, one in English and one in Marathi, being the regional language of Mumbai, where our Registered and Corporate Office is situated, in accordance with the Companies Act, 2013 and applicable rules. Our Promoters or controlling shareholders must 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.

### **Appraising entity**

None of the Objects of this Issue, for which the Net Proceeds will be utilized, have been appraised.

### **Strategic or financial partners**

There are no strategic or financial partners to the Objects of the Issue.

### **Interest of Promoters, Promoter Group and Directors, in the Objects of the Issue**

Our Promoters, Promoter Group and Directors do not have any interest in the objects of the Issue. No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group, Directors and Key Managerial Personnel of our Company. There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered or to be entered into by our Company with our Promoters, Promoter Group, Directors and/or Key Managerial Personnel.

## BASIS OF ISSUE PRICE

The Price Band and Issue Price will be determined by our Company in consultation with the Book running Lead Manager on the basis of assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is [●] times the Floor Price and [●] times the Cap Price, and Floor Price is [●] times the face value and the Cap Price is [●] times the face value. Investors should read the following basis with the sections titled “Risk Factors”, “Financial Information” and the chapter titled “Our Business” on page 30, 150 and 111 respectively, of this Draft Red Herring Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of Our Company could decline due to these risk factors and you may lose all or part of your investments.

### Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for the Issue Price are:

1. Diversified product portfolio
2. Long term relationship with customers and suppliers
3. Effective management of supply chain including storage, handling and logistics system
4. Experienced management team
5. Ensuring price, specifications, quantity and delivery schedule of the products

For more details on qualitative factors, refer to chapter “Our Business” on page 111 of this Draft Red Herring Prospectus.

### Quantitative Factors

The information presented in this section is derived from our Restated Financial Statements. For more details on financial information, investors please refer the chapter titled “Restated Financial Statements” on page 150 of this Draft Red Herring Prospectus. Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the price are as follows:

1. **Basic and Diluted Earnings per Equity Share (“EPS”), adjusted for changes in capital:**

Financial period	Basic & Diluted EPS (in ₹)	Weight
Fiscal 2024	20.68	3
Fiscal 2023	12.52	2
Fiscal 2022	20.45	1
<b>Weighted Average</b>	<b>17.92</b>	-

*Note: EPS has been calculated in accordance with Accounting Standard 20 – “Earnings per share”. The EPS has been adjusted for issuance of bonus shares in the ratio of 7:1 post March 31, 2024.*

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

Particulars	P/E at the Floor Price (number of times)	P/E at the Cap Price (number of times)
Based on basic EPS for Fiscal 2024	The details shall be provided post the fixing of price band by our Company at the stage of Red Herring Prospectus or the filing of price band advertisement.	
Based on diluted EPS for Fiscal 2024		

3. **Industry Peer Group P/E Ratio**

There are no listed companies whose business operations are similar to that of our Company or are of a comparable size to that of our Company. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

#### 4. Return on Net Worth (“RoNW”):

Financial period	RoNW (%)	Weight
Fiscal 2024	19.08%	3
Fiscal 2023	13.97%	2
Fiscal 2022	20.64%	1
<b>Weighted Average</b>	<b>17.64%</b>	<b>-</b>

**Notes:**

- (1) Weighted average = Aggregate of year-wise weighted Return on Net Worth divided by the aggregate of weights i.e. (Return on Net Worth x Weight) for each year/Total of weights.
- (2) Return on Net Worth (%) = Restated profit for the year divided by average net worth, where average net worth is calculated by dividing sum of closing net worth of the current fiscal year and closing net worth of the previous fiscal year by 2. Net Worth of FY 2021 is taken from audited financial statements
- (3) Net worth = Equity Share capital plus Reserves and Surplus excluding deferred tax assets

#### 5. Net Asset Value per Equity Share:

Particulars	NAV (₹)#
As at March 31, 2024*	112.99*
After the Issue#	
- At Floor Price	[●]
- At Cap Price	[●]
- At Issue Price	[●]

# to be included upon determination of Issue price

\* The NAV has been adjusted for issuance of bonus shares in ratio of 7:1 post March 31, 2024.

**Note:** Net Asset Value per equity share represents net worth as at the end of the fiscal year, as restated, divided by the number of Equity Shares outstanding at the end of the period/year.

#### 6. Comparison of accounting ratios with Industry Peers

There are no listed companies whose business operations are similar to that of our Company or are of a comparable size to that of our Company. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

#### 7. Key Financial and Operational Performance Indicators

The table below sets forth the details of the key financial and operational performance indicators (“KPIs”) that our Company considers have a bearing for arriving at the basis for Issue Price. These KPIs have been used historically by our Company to understand and analyse business performance, which in result, help us in analysing the growth of various vertical segments. The Bidders can refer to the below-mentioned KPIs to make an assessment of our Company’s performance in various business verticals and make an informed decision.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated July 16, 2024 and the Audit Committee has confirmed that the KPIs pertaining to our Company that have been disclosed to investors at any point of time during the three years period prior to the date of this Draft Red Herring Prospectus have been disclosed in this section and have been subject to verification and certification by Sundarlal, Desai & Kanodia, Chartered Accountants, bearing firm registration number 110560W, pursuant to certificate dated July 19, 2024, which has been included as part of the “Material Contracts and Documents for Inspection” on page 287.

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



For details of our key operating, financial and other operating metrics disclosed elsewhere in this Draft Red Herring Prospectus, see “Our Business” on page 111 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 179

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

Sr. No.	Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
1	Revenue from Operations (₹ in lakhs)	1,53,490.41	1,11,759.06	85,865.83
2	Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (₹ in lakhs) <sup>(a)</sup>	5,991.56	3,710.19	2,274.96
3	EBITDA Margins (%) <sup>(b)</sup>	3.90%	3.32%	2.65%
4	Profit after Tax (PAT) (₹ in lakhs)	3,011.30	1,602.72	1,386.48
5	PAT Margins (%) <sup>(c)</sup>	1.96%	1.43%	1.61%
6	Cash Profit after Tax (₹ in lakhs) <sup>(d)</sup>	3,030.32	1,623.13	1,396.34
7	Current Ratio <sup>(e)</sup>	1.48	1.43	1.64
8	Debt-Equity Ratio <sup>(f)</sup>	1.54	2.68	1.13
9	Return on Equity (%) <sup>(g)</sup>	19.08%	13.97%	20.75%
10	Return on Capital Employed (%) <sup>(h)</sup>	26.88%	20.98%	22.75%

As certified by our statutory auditors M/s. Sundarlal, Desai & Kanodia, Chartered Accountants vide their certificate dated July 19, 2024 having UDIN: 24033978BKARM8639

**Notes:**

- EBITDA has been calculated as a sum of profit before tax, finance costs and depreciation and amortization.
- EBITDA Margins is calculated as EBITDA divided by total income.
- PAT Margins (%) is calculated as Profit After Tax divided by Total Income.
- Cash Profit After Tax is calculated as a sum of Profit After Tax and Depreciation and Amortisation as per Restated Financial Statements.
- Current Ratio is calculated as Total Current Assets divided by Total Current Liabilities.
- Debt-Equity Ratio is calculated as Total Debt divided by Adjusted Net-Worth as per Restated Consolidated Financial Statements. Total Debt is calculated as a sum of Long-Term Borrowings and Short-Term Borrowings (including current maturity of long-term borrowings). Adjusted Networth is calculated as a sum of Equity Share Capital and Reserves and Surplus (excluding deferred tax assets) as per the restated financial statements.
- Return on Equity is calculated as Restated profit for the year divided by average net worth, where average net worth is calculated by dividing sum of closing net worth of the current fiscal year and closing net worth of the previous fiscal year by 2. Net Worth of FY 2021 is taken from audited financial statements.
- Return on Capital Employed is calculated as Earnings Before Interest and Tax divided by Average Capital Employed. Average Capital Employed is calculated by dividing sum of closing capital employed of the current fiscal year and closing capital employed of the previous fiscal year by 2. Capital employed is calculated as sum of adjusted net worth and Long-Term Borrowings. Capital Employed of FY 2021 is taken from audited financial statements.

**8. Description on the historic use of the KPIs by our Company to analyse, track or monitor the operational and/or financial performance of our Company**

The KPIs disclosed below have been used historically by the Company to understand and analyze the business performance, which in result, help it in analyzing the growth of various verticals, and other relevant and material KPIs of the business of the Company that have a bearing for arriving at the Basis for Issue Price have been disclosed below. The KPIs set forth above have been approved by the Audit Committee pursuant to its resolution dated July 16, 2024.

The list of the KPIs along with brief explanation of the relevance of the KPIs for the business operations of the Company are set forth below:

Sr No.	KPIs	Explanation
1.	Revenue from Operations	Revenue from operation provided information regarding growth of our business operations over the period
2.	Earnings before Interest, Tax,	EBITDA provides information regarding operational profitability and the financial performance of the business.

Sr No.	KPIs	Explanation
	Depreciation and Amortisation (EBITDA)	
3.	EBITDA Margins (%)	EBITDA margin provides the financial benchmarking against peers as well as to compare against the historical performance of our business.
4.	Profit after Tax (PAT)	PAT provides information regarding the overall Profitability of our business.
5.	PAT Margins (%)	PAT margin is an indicator of the overall profitability of our business and provides the financial benchmarking against peer as well as to compare against the historical performance of our business.
6.	Cash Profit after Tax	Cash Profit after Tax is an indicator which denotes profit generated from our business operations during the period before adjusting the non-cash items
7.	Current Ratio	Current ratio is an indicator of short-term solvency i.e., company's ability to pay short-term obligations or those due within one year.
8.	Debt-Equity Ratio	Debt Equity Ratio is an indicator of overall leverage of our company
9.	Return on Equity (%)	RoE provides how efficiently the Company generates profits from average shareholders' funds.
10.	Return on Capital Employed (%)	RoCE provides how efficiently our Company generates earnings from the capital employed in our business.

**9. Comparison of KPIs with listed industry peers**

There are no listed companies whose business operations are similar to that of our Company or are of a comparable size to that of our Company. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

**10. Comparison of Key Performance Indicators over time shall be explained based on additions or dispositions to our business**

Our Company has not made any additions or dispositions to its business during the Fiscals 2024, 2023 and 2022. For further details see “*History and Certain Corporate Matters*” on page 126.

**11. Weighted Average Cost of Acquisition, Floor Price and Cap Price**

**a. Price per share of the Company (as adjusted for corporate actions, including split, bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under Employee Stock Option Plan and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Primary Issuances”)**

The details of the Equity Shares or convertible securities, excluding issuance of bonus shares, during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more that 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Issue capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days (“**Primary Issuance**”) are as follows:

Date of allotment	Name of allottee	No. of shares transacted	Face Value (in ₹)	Issue price per share	Nature of allotment	Nature of consideration	Total consideration (in ₹ lakhs)
October 13, 2023 to November 28, 2023	Karan Wilkhoo	5,33,334	10.00	750.00	Private Placement	Cash	4,000.01
<b>Total</b>							<b>4,000.01</b>
<b>Weighted Average Cost of Acquisition [Total Consideration/Total Number of Shares Transacted]</b>							<b>93.75*</b>

\*Adjusted for bonus issue of 7:1

Except as stated above, it is confirmed that there are no primary/new issue of shares, equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated on the pre-issue capital on the date of allotment) in the 18 months prior to the date of this Draft Red Herring Prospectus.

- b. Price per share of the Company (as adjusted for corporate actions, including bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving the Promoters, members of the Promoter Group, the Selling Shareholder or other Shareholders of the Company with rights to nominate directors during the 18 months preceding the date of filing of the DRHP/ RHP, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s, and excluding ESOPs granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Secondary Transactions”)**

There has been no secondary sale / acquisitions of Equity Shares or any convertible securities (“Security(ies)”), where the Promoters, members of the Promoter Group, Selling Shareholders, 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

- c. Price per share based on the last five primary or secondary transactions**

Since there are transactions to report to under (a) and (b) above, therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter / Promoter Group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) in the Board of the Company, are a party to the transaction) not older than 3 years prior to the date of Draft Red Herring Prospectus irrespective of the size of transactions is not required to disclosed.

- d. Weighted average cost of acquisition, Floor Price and Cap Price:**

Type of transaction	WACA (in ₹)	Floor Price (₹ [●])*	Cap Price (₹ [●])*
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity / convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options), in a single transaction or multiple transactions combined	93.75	[●]	[●]

Type of transaction	WACA (in ₹)	Floor Price (₹ [●])*	Cap Price (₹ [●])*
together over a span of rolling 30 days.			
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity / convertible securities), where promoter / promoter group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our 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.	N.A.	N.A.	N.A.
Note: Since there were no primary or secondary transactions of equity shares of our Company during the 18 months to report (a) and (b), the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where Promoter, members of the Promoter Group, Promoters, Selling Shareholders or shareholder(s) having the right to nominate directors on the Board, are a party to the transaction, not older than three years prior to the date of filing of Draft Red Herring Prospectus irrespective of the size of the transaction, is as below:			
Last 5 primary transactions	N.A.	N.A.	N.A.
Last 5 secondary transactions	N.A.	N.A.	N.A.

\* To be updated at Prospectus stage after finalization of price band.

## 12. Justification for Basis of Issue price

- The following provides an explanation for the Issue Price/Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired or sold by our Promoter, the Promoter Group or other shareholders with rights to nominate directors by way of primary and secondary transactions as disclosed in paragraph above, in the last 18 months preceding the date of this Draft Red Herring Prospectus compared to our Company's KPIs and financial ratios for the Fiscal 2024, 2023 and 2022.

[●]

(To be included on finalization of Price Band)

- The following provides an explanation to the Issue Price/Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired by our Promoter, the Promoter Group or other shareholders with rights to nominate directors by way of primary and secondary transactions as disclosed in paragraph above, in the last 18 months preceding the date of this Draft Red Herring Prospectus in view of external factors, if any

[●]

(To be included on finalization of Price Band)

The Price Band of ₹ [●] – [●] has been determined by our Company, in consultation with the BRLM, on the basis of the demand from investors for the Equity Shares through the Book Building process. Investors should read the abovementioned information along with “Risk Factors”, “Our Business” and “Restated Financial Information” on pages 30, 111 and 150, respectively of this Draft Red Herring Prospectus, to have a more informed view.

## STATEMENT OF SPECIAL TAX BENEFITS

To,  
The Board of Directors,  
**Shiv Texchem Limited**  
(Formerly known as Shiv Texchem Private Limited)  
Kamla Space, Unit No. 216,  
2nd Floor Khira Nagar Tps III,  
S.V.Road, Santacruz, (West),  
Mumbai, Maharashtra, India-400054

**Dear Sirs/Madams,**

**Sub: Statement of possible special tax benefit (the “Statement”) available to Shiv Texchem Limited (Formerly known as Shiv Texchem Private Limited) (the “Company”), and its shareholders prepared to comply with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018 as amended (the “SEBI ICDR Regulations) in connection with the proposed initial public offering of equity shares of face value of ₹ 10 each (the “Equity Shares”) of the Company.**

We, **Sundarlal, Desai & Kanodia**, Chartered Accountants, hereby confirm that the enclosed **Annexure A**, prepared by the Company and initiated by us for identification purpose (“**Statement**”) for the Issue, provides the possible special tax benefits available to the Company and to its shareholders under direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 1961 and Income tax Rules, 1962, as amended (hereinafter referred to as “**Direct Tax Laws**”), and indirect tax laws i.e., the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962 and the Customs Tariff Act, 1975, Foreign Trade (Development and Regulation) Act, 1992 read with Foreign Trade Policy, as amended, the rules, circulars and notifications issued in connection thereto (hereinafter referred to as “**Indirect Tax Laws**”), presently in force in India, available to the Company and its shareholders. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company and/or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the SEBI ICDR Regulations. While the term ‘special tax benefits’ has not been defined under the SEBI ICDR Regulations, for the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the **Annexure A**. Any benefits under the taxation laws other than those specified in **Annexure A** are considered to be general tax benefits and therefore not covered within the ambit of this Statement. Further, any benefits available under any other laws within or outside India, except for those mentioned in the **Annexure A** have not been examined and covered by this statement.

The benefits discussed in the enclosed Statement are not exhaustive. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and 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.

In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

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

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

The contents of the enclosed Statement are based on information, explanations and representations obtained from

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

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

We hereby give consent to include this Report in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus and in any other material used in connection with the Proposed Issue, and it is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

For and on behalf of  
**Sundarlal, Desai & Kanodia**  
**Chartered Accountants**

**Mukul B. Desai**  
**Partner**  
**Membership No.: 033978**  
**ICAI Firm Registration Number: 0110560W**  
**UDIN : 24033978BKCARP4607**  
**Date : 19/07/2024**

Encl: As above

## ANNEXURE A

### STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS IN INDIA

This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the SEBI ICDR Regulations. While the term '*special tax benefits*' has not been defined under the SEBI ICDR Regulations, for the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in this Annexure. Any benefits under the taxation laws other than those specified in this Annexure are considered to be general tax benefits and therefore not covered within the ambit of this Statement. Further, any benefits available under any other laws within or outside India, except for those mentioned in this Annexure have not been reviewed and covered by this statement.

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

There are no special tax benefits available to the Company under Direct Tax Laws

#### **II. Special Indirect tax benefits available to the Company**

There are no special tax benefits available to the Company under Indirect Tax Laws

#### **III. Special tax benefits available to Shareholders**

There are no special tax benefits available to the Company under Direct and Indirect Tax Laws

#### **Notes:**

- i. The above Statement of Tax benefits sets out the special tax benefits available to the Company, and its shareholders under the tax laws mentioned above.
- ii. The above Statement covers only above-mentioned tax laws benefits and does not cover any general tax benefits under any other law.
- iii. This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- iv. 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.
- v. This statement does not discuss any tax consequences under any law for the time being in force, as applicable of any country outside India. The shareholders / investors are advised to consult their own professional advisors regarding possible tax consequences that apply to them in any country other than India.

**For and on behalf of Shiv Texchem Limited**  
(formerly know as Shiv Texchem Private Limited)

Vikas Pavankumar  
Managing Director  
Date: 19<sup>th</sup> July, 2024  
Place: Mumbai

## SECTION IV: ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

*Unless otherwise indicated, the information in this section is obtained or extracted from the report dated July 12, 2024, titled “Petrochemicals” prepared and issued by issued by Dun & Bradstreet Information Services India Pvt Ltd (“D&B Report”). The Report has been exclusively and paid for by us for the purposes of this Issue and is available on the website of the Company at [www.shivtexchem.net](http://www.shivtexchem.net). It is hereby clarified that the information in this section is only an extract of the D&B Report and does not comprise the entire D&B Report. All information in the D&B Report that is considered material by us for the purposes of this Issue has been included in this section, and none of this information has been further modified by us in any manner, except for the limited purpose of presentation or ensuring continuity. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. For further details, kindly refer chapter “Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risk” on page 39 of this Draft Red Herring Prospectus.*

#### **Global Macroeconomic Scenario<sup>1</sup>**

Global economic activity is expected to clock a growth of 3.2% in 2024, which is identical to the estimated growth recorded during 2023. Although this represents a modest growth outlook, the one positive factor is the balancing out of the risks to global growth, compared to previous years. In addition to the softening of risks, the global economy appears to have staved off any imminent risk of recession.

Global economic growth will be headlined by emerging markets & developing economies (largely dominated by India, China, Brazil, Russia). Asian economies within the bloc is expected to grow by 5.2% in 2024 and further by 4.9% in 2025. Although China is expected to witness sluggish growth during the period, Indian economy is showing signs of strong growth. Continued strengthening of domestic demand and a rising working age population are two of the key factors that would be driving the growth in India.

The emerging markets & developing economies bloc is expected to grow by 4.2% in 2024 and 2025. Meanwhile the economic growth in advanced economies is expected to rise from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025.

Economic growth in the US and European area is expected to be marginally better in 2024. Although Europe experienced a less robust performance in 2023, the recovery in 2024 is expected to be driven by increased household consumption as the impact of energy price shocks diminishes and inflation decreases, thereby bolstering real income growth.

#### **India Economic Growth Scenario**

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<sup>1</sup> Note: Advanced Economies and Emerging & Developing Economies are as per the classification of the World Economic Outlook (WEO). This classification is not based on strict criteria, economic or otherwise, and it has evolved over time. It comprises of 40 countries under the Advanced Economies including the G7 (the United States, Japan, Germany, France, Italy, the United Kingdom, and Canada) and selected countries from the Euro Zone (Germany, Italy, France etc.). The group of emerging market and developing economies (156) includes all those that are not classified as Advanced Economies (India, China, Brazil, Malaysia etc.). Source for global economic outlook section – IMF World Economic Outlook Report



India's economy showed resilience with GDP growing at estimated 7.6% in FY 2024. The GDP growth in FY 2024 represents a return to pre pandemic era growth path. Even amidst geopolitical uncertainties, particularly those affecting global energy and commodity markets, India continues to remain one of the fastest growing economies in the world.

Country	Real GDP Growth (2023)	Projected GDP Growth 2024
India	7.8%	6.8%
China	5.2%	4.6%
Russia	3.6%	3.2%
Brazil	2.9%	2.2%
United States	2.5%	2.7%
Japan	1.9%	0.9%
Canada	1.1%	1.2%
Italy	0.9%	0.7%
France	0.7% <sup>2</sup>	0.7%
South Africa	0.6%	0.9%
United Kingdom	0.1%	0.5%
Germany	-0.3%	0.2%

Source: The International Monetary Fund

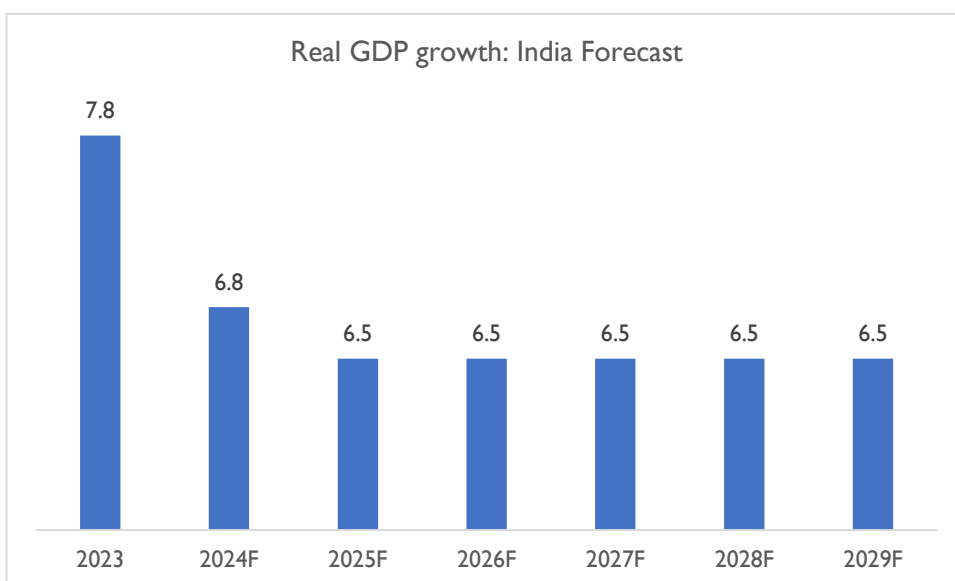
Countries considered include - Largest Developed Economies and BRICS (Brazil, Russia, India, China, and South)

Countries have been arranged in descending order of GDP growth in 2023).

Realizing the need to impart external stimuli, the Government stepped up its spending on infrastructure projects which in turn had a positive impact on economic growth. The capital expenditure of central government increased by 37.4% increase in capital expenditure (budget estimates), to the tune of Rs 10 trillion in the Union Budget 2023-2024. The announcement also included 30% increase in financial assistance to states at Rs 1.3 trillion for capex. The improvement was accentuated further as the Interim Budget 2024-2025 announced an 11.1% increase in the capital expenditure outlay at Rs 11.11trillion, constituting 3.4% of the GDP. This has provided the much-needed confidence to private sector, and in turn attracted private investment.

### Economic Growth Outlook

Looking ahead to 2024, India's projected GDP growth of 6.8% in 2024 stands out as the fastest among major emerging markets, significantly outpacing China's 4.6% and Brazil's 2.2%. This robust growth trajectory is expected to sustain at 6.5% annually from 2025 to 2029, reflecting strong economic fundamentals and continued momentum.



Source: IMF

This decent growth momentum in near term (2024) is accompanied by a slowdown in inflation, as well as various other factors in the medium to long term that will support the economy. These include enhancements in physical infrastructure, advancements in digital and payment technology, improvements in the ease of doing business and a higher quality of fiscal expenditure to foster sustained growth.

On the demand side, improving employment conditions and moderating inflation are expected to stimulate household consumption. Further, the investment cycle is gaining traction, propelled by sustained government capital expenditure, increased capacity utilisation and rising credit flow. Additionally, there are positive signs of improvement in net external demand, as reflected in the narrowing merchandise trade deficit. Despite the supply disruptions, exports clocked positive y-o-y growth in December 2023 and January 2024.

From uplifting the underprivileged to energizing the nation's infrastructure development, the Government has outlined its vision to propel India's advancement and achieve a 'Viksit Bharat' by 2047 in the interim budget announced on 1<sup>st</sup> Feb 2024. Noteworthy positives in the budget include achieving a lower-than-targeted fiscal deficit for FY24 and setting a lower-than expected fiscal deficit target for FY25, proposing dedicated commodity corridors and port connectivity corridors, providing long-term financing at low or nil interest rates to the private sector to step up R&D in the sunrise sectors.

Achieving a reduced fiscal deficit of 5.8% in FY24 and projecting a lower than-anticipated fiscal deficit of 5.1% are positive credit outcomes for India. This showcases the country's capability to pursue a high-growth trajectory while adhering to the fiscal glide path. There has been a significant boost to capital expenditure for two consecutive years; capital expenditure – which is budgeted at 3.4% of GDP (INR 11.1 trillion/USD 134 bn) for 2024/25 – is at a 21-year high (3.3% of GDP in 2023/24). The enhancement of port connectivity, coupled with the establishment of dedicated commodity corridors (energy, mineral and cement), is poised to enhance manufacturing competitiveness. This strategic move aims to fulfil India's export targets and reduce logistics costs.

The push to position India as a global manufacturing hub through Make in India and PLI schemes is further boosting industrial output, exports, and domestic production capabilities. Compared to other major emerging markets facing demographic and economic challenges, India's combination of demographic strengths, policy reforms, and strategic initiatives positions it as a standout performer and a significant driver of global economic growth in the foreseeable future.

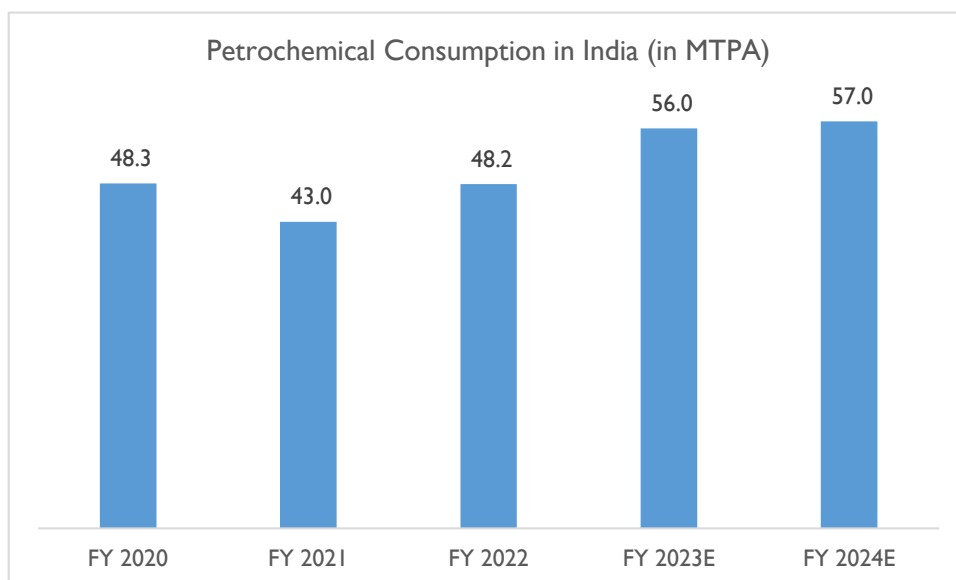
## Petrochemical Consumption in India

### Annual Consumption Volume

India has been one of the largest consumers of chemicals & petrochemical products in Asia Pacific region for the bulk of the last 10 – 15 years. The rapid growth in India’s manufacturing infrastructure during this time period have created strong demand for a wide range of chemical & petrochemical input materials and intermediates. As India became one of the fastest growing economies in the world, the annual growth in demand for chemical & petrochemical input materials and intermediates too increased at a fast clip.

The spread of Covid-19 pandemic impacted the petrochemical demand in India in FY 2021 – like it did across the globe. Subsequently the annual consumption of petrochemicals dropped to 43 million tons per annum (MTPA) in FY 2021, as against 48.3 MTPA in the previous year. However, the resumption in economic activity in FY 2022 and subsequent years – as the impact of Covid pandemic wore off – have helped the industry recoup its growth.

Annual consumption volume rose to 48.2 MTPA in FY 2022 and further to approximately 57 MTPA in FY 2024<sup>3</sup>.



Source: Department of Chemicals & Petrochemicals, Ministry of Statistics & Program Implementation, Ministry of Commerce, D&B Estimates

### India v/s Global Consumption Pattern

Despite the strong growth in petrochemical consumption in the recent years, per capita petrochemical consumption in India remains low when compared to both global average as well as other fast growing developing economies. For example, the per capital consumption of polyester in India is only 1.4 kgs as against 6.6 kg for China and 3.3 kg for world. Similarly, the per capital consumption of polymer in India is estimated to be 4 kg as compared to global average of 20 kg<sup>4</sup>. These disparities highlight the significant potential for growth in India's petrochemical consumption as the country continues to develop its industrial base and expand its production capacities to meet both domestic and global demand.

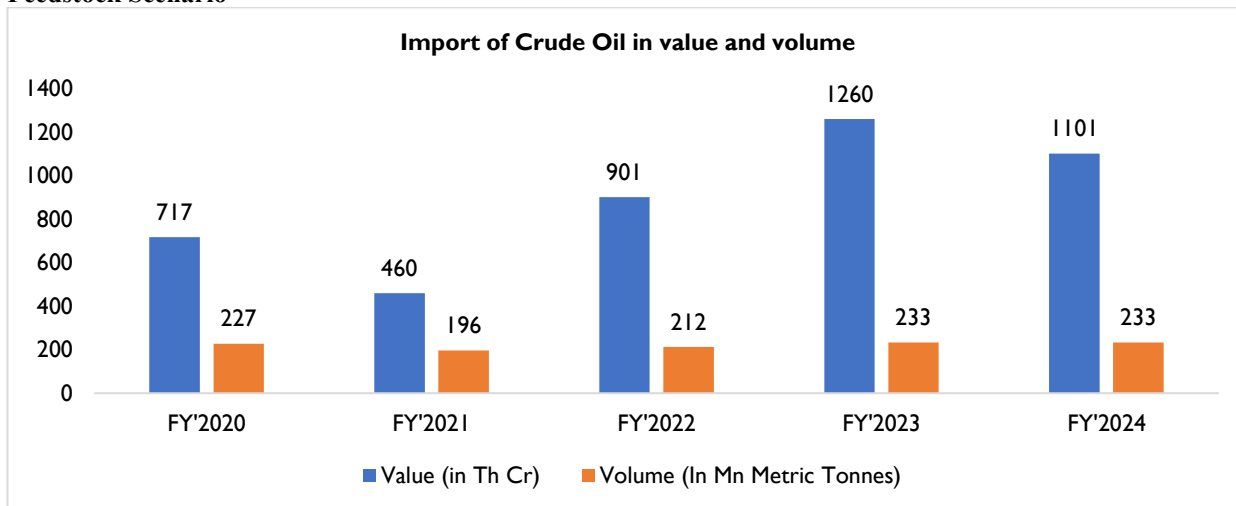
<sup>3</sup> Annual production data for FY 2023 and FY 2024 is yet to be released by the Government of India. In the absence of this data D&B have estimated the production volumes for FY 2023 and 2024 using the IIP growth in chemicals, chemical products & refined petroleum products during those two years as proxy. Basis this proxy growth rate, D&B have estimated the production volume for FY 2023 and 24. These estimates together with import and export data has been used to arrive at the estimated consumption volume for FY 2023 and 24.

<sup>4</sup> Demand and Availability of Petrochemicals Including Import and Exports, Lok Sabha Secretariat, December 2020

Several factors contribute to the lower per capita consumption of petrochemicals in India. The country's large population, coupled with lower levels of industrialization and urbanization compared to developed nations, results in relatively modest consumption levels. However, with ongoing industrialization, urbanization, and rising income levels, the demand for petrochemical products is expected to grow significantly.

While India's current per capita consumption of petrochemicals is significantly lower than the global average, the country's economic growth, government initiatives, and rising domestic and export demand present substantial opportunities for the petrochemical industry. As India continues to industrialize and urbanize, the demand for petrochemical products will likely surge, supporting the country's economic expansion and enabling it to address the needs of its diverse end-use sectors.

### Feedstock Scenario



Source: Ministry of Petroleum and Natural Gas

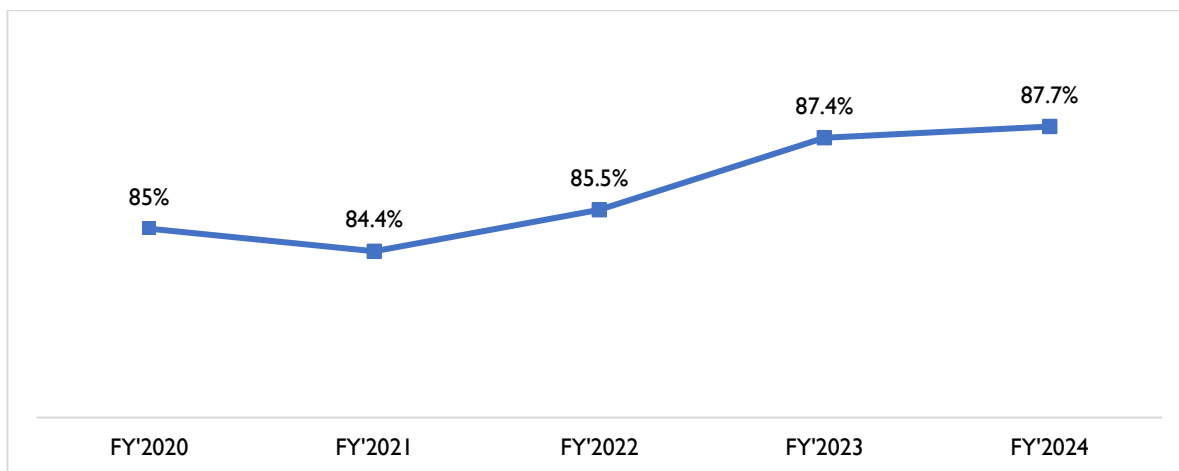
India's crude oil imports decreased by 0.2% in FY 2024, yet import dependency remains high, with over 85% of crude oil being imported and refined into fuels like petrol and diesel. Despite importing a similar quantity of crude oil as compared to last year, India spent Rs 1,101 thousand crores in FY 2024 due to falling international crude oil prices. Petroleum products consumption in India increased by 4.6% to 233.3 million metric tonnes (MMT) in FY 2024, while domestic production remained steady.

A report from the oil ministry indicates that the growth in petroleum product consumption—an indicator of oil demand—in FY 2024 was driven by a 6.4% increase in motor spirit (MS) or petrol, 4.4% in high-speed diesel (HSD), 11.8% in aviation turbine fuel (ATF), and 14.3% in naphtha consumption, alongside increases in LPG, lubes, bitumen, petcoke, and light diesel oil (LDO). In comparison, product consumption in the previous year was 223 MMT. Domestic crude oil production in FY 2024 was 29.4 MMT, nearly unchanged from 29.2 MMT in the previous year. Consequently, India's crude oil imports were at their highest, meeting 87.7% of its oil requirements from foreign supplies. This dependency was 87.4% in FY 2023 and 85.5% in FY 2022.

India's high import dependency poses challenges amid rising oil prices due to geopolitical tensions in the Middle East and controlled supply from OPEC+. To mitigate the impact of rising oil prices, the Indian government has urged oil explorers ONGC and Oil India Limited (OIL) to boost production. ONGC aims to reverse years of declining production by FY 2025, targeting new output from its Krishna Godavari (KG) basin to gradually raise overall oil production by 11% and gas production by 15%.

On the trade front, India has diversified its sources of crude oil, now purchasing from 37 countries, up from 29 countries previously. This strategy ensures energy availability at affordable prices. Notably, Russia, which accounted for only 0.2% of India's total crude requirements before 2022, now supplies around 30% of total crude imports.

## Import dependency on crude oil



Source: Ministry of Petroleum and Natural Gas

## Demand Drivers

India's petrochemical industry is experiencing a significant growth surge, fuelled by a confluence of economic, social, and infrastructural factors. The key drivers propelling this demand:

### Strong Industrial Growth

Industrial activity in India has been growing at a rapid pace. A supportive policy environment enabled by the Government, attractive investment scenario, and strong demand for industrial products have all led to this rapid growth. Subsequently, the demand for input material and intermediate products required by the industrial segment has gone up. Since chemicals & petrochemicals form one of the key input material used by the industrial segment, the strong growth in industrial product naturally translated into a strong demand for chemical and petrochemical products.

### Infrastructure Development

The Indian government's focus on infrastructure development creates a massive demand for construction materials with significant petrochemical content.

#### *Petrochemical Applications:*

**Pipes and Insulation:** Petrochemical-based plastics are used for manufacturing durable and lightweight pipes for water supply, sewage systems, and electrical cables. Similarly, petrochemical-derived insulation materials like foam help regulate temperature in buildings.

**Coatings and Sealants:** Petrochemical-based paints, coatings, and sealants are essential for protecting bridges, buildings, and other infrastructure from harsh weather conditions and corrosion.

### Rapid Urbanization

Rapid urbanization fuels a construction boom, leading to a surge in demand for building materials with significant petrochemical content.

#### *Petrochemical Consumption in Urbanization:*

**Building Materials:** Construction utilizes a variety of petrochemical products like PVC pipes, electrical wires with plastic insulation, and flooring materials like vinyl tiles.

Paints and Coatings: As mentioned earlier, paints and coatings are crucial for protecting buildings and enhancing aesthetics, further driving demand for petrochemicals.

Furniture: Modern furniture often incorporates petrochemical-based plastics, laminates, and synthetic fibers, impacting consumption.

### **Strong demand from Automobile industry**

India's booming automotive sector is a major consumer of petrochemicals for various car components.

#### ***Petrochemicals in Automobiles:***

Essential Components: Tires, hoses, belts, and various interior parts like dashboards and seats rely heavily on different types of petrochemicals like rubber, synthetic polymers, and plastics.

Lightweighting Trend: The automotive industry's focus on lightweight materials for fuel efficiency is driving demand for advanced petrochemical-based composites that offer strength and weight reduction.

#### **Packaging Revolution:**

The rise of e-commerce and convenience food options has led to a significant increase in the use of plastic packaging. This trend is expected to continue, further boosting demand for polymers used in packaging materials.

#### **Limited Alternatives and Affordability:**

Compared to traditional materials like metal or wood, petrochemical-based products often offer advantages in terms of cost-effectiveness, ease of use, and versatility. This makes them a preferred choice for many applications, especially in a price-sensitive market like India.

### **Demand from Paints & Coatings Industry**

The annual turnover in Indian paint industry is estimated to be INR 746 Bn in FY 2024, growing by a CAGR of nearly 15% during the last four years. Approximately 809 thousand tons of paint & varnish was consumed in India in FY 2024, out of which nearly 96% was domestically produced. India is one of the leading manufacturers of paints & coatings in the world and is counted as one of its largest consumers. The annual production of paints & varnish in India stood at nearly 779 thousand tons in FY 2024.

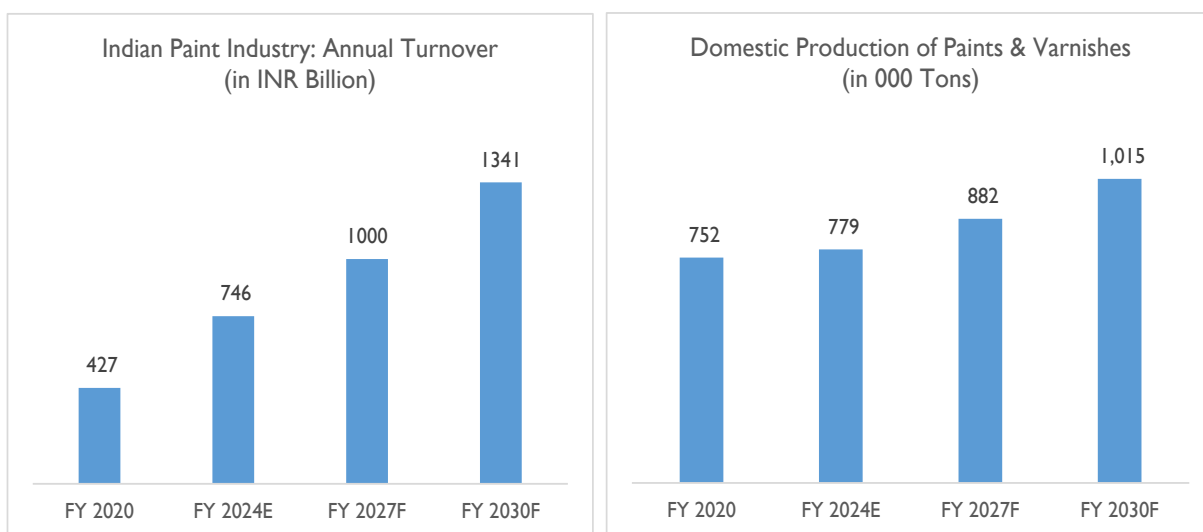
Indian paint industry is witnessing strong demand, mainly from a robust construction sector which is one of the leading consumers of paints & coatings in India. It is estimated that nearly two third of demand for paints in India comes from the real estate sector. Hence a growth in real estate construction commensurately translates into a strong demand for paints.

Indian real estate sector has been witnessing rapid growth in the recent years on the back of urbanization, Government focus on housing development, increasing income levels, and ease of access to mortgage products. Moreover, improvement in business sentiment and a supportive policy environment has triggered expansion in construction in commercial real estate too. All these factors are expected to remain positive in the long term, and this points to a continued growth in real estate industry in India.

On the back of this optimistic demand scenario, the Indian paint industry is expected to increase reach approximately INR 1,000 Bn in turnover by FY 2027<sup>5</sup>. Assuming the growth rate till FY 2027 continues, the industry is expected to touch an annual revenue of INR 1,341 Bn by FY 2030. The strong demand is expected to prompt paint manufacturers to expand their capacity. By the end of this decade the domestic production of paints in India is expected to reach approximately 1,105 thousand tons.

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<sup>5</sup> As per Indian Paint Manufacturers Association



Source: CMIE Industry Outlook, Indian Paint Manufacturers Association, D&B Estimates

### Impact on Petrochemical Demand

A wide range of chemicals & petrochemicals are used in paint manufacturing where it serves the purpose of binders, solvents, additives to name a few. Some of the commonly used binders in paint manufacturing include acrylic polymers, alkyd polymers, epoxy polymers, latex, and phenolic resins. Meanwhile petrochemical compounds like Xylene, Toluene, Alcohols (n-butanol, isopropanol), and ketones are used as solvents in paint manufacturing. In addition, a wide range of chemicals & petrochemicals are used as additives and pigments in paints.

The demand for these petrochemicals from paint industry is tied to the production of paints & coatings. India has emerged as one of the leading manufacturers of paints, producing nearly 779 thousand tons of paints & varnishes in FY 2024. The strong growth in real estate construction in the country points to continued strong demand for paints in India. As a result, the domestic production volume of paints & varnishes is expected to cross 1000 thousand tons per annum by FY 2030. This strong growth in domestic paint production would in turn create a strong demand for all the chemicals & petrochemical input materials and intermediates used by the paint industry.

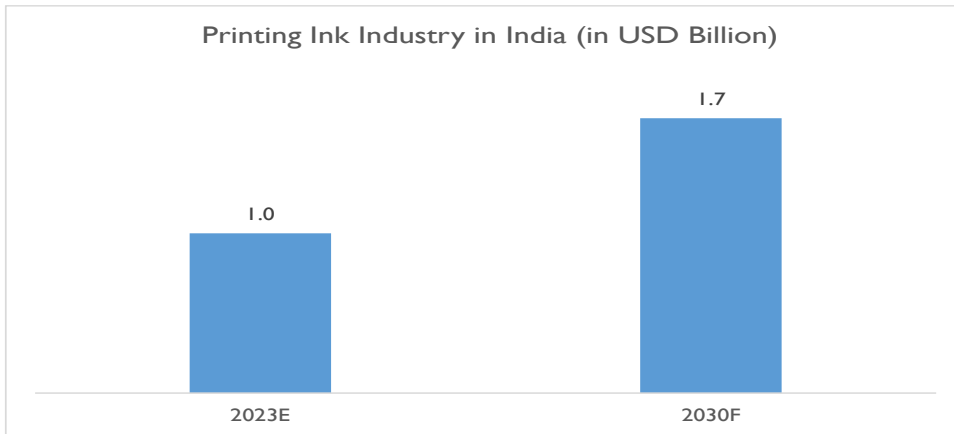
### Demand from Printing Ink Industry

#### Growth in Printing Ink Industry

Globally, the printing ink industry is estimated to be worth USD 15 Bn while Indian printing ink market is estimated to be around USD 1 Bn<sup>6</sup>. Meanwhile the domestic consumption of printing ink is estimated to be over 400,000 tons and has been increasing steadily. The demand for printing ink is fuelled by strong demand coming from packaging industry. Going ahead, the Indian printing ink market is expected to grow by a CAGR of nearly 8% over the next few years<sup>7</sup>. Assuming this growth rate, the turnover in Indian printing ink industry would hit nearly USD 1.7 Bn by the end of this decade.

<sup>6</sup> Industry Sources: As quoted by Industry associations & affiliates associated with printing and packaging industry (including AIPIMA, PrintWeek, InkWorld)

<sup>7</sup> Industry Sources: AIPIMA, PrintWeek

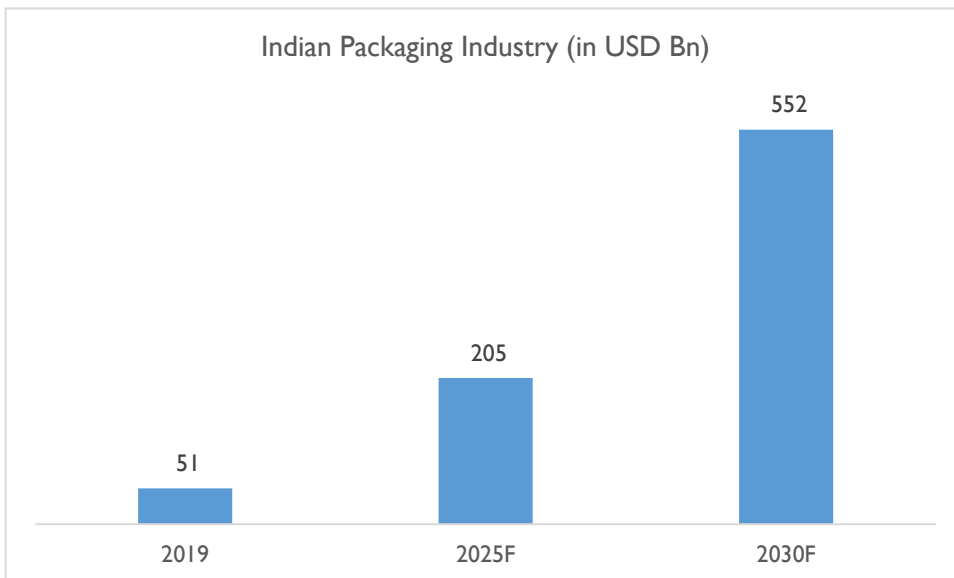


Source: D&B Research and Estimates

### Expansion of the Packaging Industry

One of the primary drivers of the printing ink industry in India is the rapid expansion of the packaging industry. Packaging is the fifth largest economic sector in the country, and India is one of the fastest growing packaging markets in the world. According to Indian Institute of Packaging (IIP), the per capita consumption of packaging products in India has increased by nearly 200% during 2010 -2020 period, increasing from nearly 4.3 kg per person per annum in FY 2010 to nearly 8.6 per person per annum in FY 2020.

The Indian market for packaging products was worth nearly USD 50 Bn in 2019 and is expected to reach USD 204 Bn in 2025. According to Packaging Industry Association of India (PIAI), the industry is growing by a CAGR of 22 – 25%. Considering this growth forecast, the Indian market for packaging products is expected to reach approximately USD 552 Bn by the end of this decade.



Source: Packaging Industry Association of India, Invest India, D&B Estimates

With increasing urbanization and changes in consumer lifestyles, there is a heightened demand for packaged goods. This surge necessitates the use of high-quality printing inks for various packaging materials such as flexible packaging, labels, and corrugated boxes. These materials require specialized inks to meet aesthetic and functional needs, thereby driving the growth of the printing ink market. This growth is significantly supported by the printed packaging segment, which accounts for about 27% of the total demand for printing inks. Newspapers contribute 20%, while commercial printing, promotional materials, and printed advertising together make up around 19%.



The packaging industry's growth is expected to continue, given the rising demand for consumer goods, thus sustaining the demand for printing inks.

### **Growth of the E-commerce Sector**

The booming e-commerce sector in India is another significant demand driver for printing inks. The Indian e-commerce industry is projected to reach USD 300 billion by 2030, experiencing significant growth. The rise of online shopping has led to an increased need for printed packaging materials, as e-commerce companies strive to enhance the unboxing experience for consumers. Vibrant and high-performance printing inks are essential for creating attractive and durable packaging. As more consumers shift towards online shopping, the demand for quality printed packaging is expected to grow, further boosting the printing ink market. This trend underscores the critical role of e-commerce in driving the demand for printing inks in India.

### **Advertising and Promotional Activities**

Advertising and promotional activities significantly contribute to the demand for printing inks in India. Businesses are increasingly investing in marketing efforts to attract and retain customers, leading to a heightened need for high-quality printed materials such as banners, posters, flyers, and brochures. Printing inks play a crucial role in achieving vivid colors and sharp images, making promotional materials more appealing and effective. Commercial printing, promotional materials, and printed advertising together make up around 19% of the total demand for printing inks. The growing emphasis on advertising and promotional campaigns drives the demand for printing inks, as companies seek to differentiate their products and services in a competitive market.

### **Technological Advancements and Innovations**

Technological advancements and innovations in the printing ink industry are also key demand drivers. The development of eco-friendly and high-performance inks has opened new market opportunities and catered to the evolving needs of various sectors. Innovations such as UV-curable inks, water-based inks, and other specialized formulations have enhanced the quality and sustainability of printed materials. These advancements not only improve the performance and appeal of printed products but also meet regulatory requirements and consumer preferences for environmentally friendly options. As a result, technological progress continues to drive the demand for advanced printing inks in India.

### **Petrochemical feedstock used by printing ink industry.**

The printing ink industry in India is a significant consumer of petrochemical feedstocks, crucial for producing the various pigments and resins used in inks. This demand is driven by several key factors that interlink the growth of the printing ink sector with the consumption of petrochemicals. Firstly, the need for pigments, essential inputs for printing inks, is on the rise. Petrochemical-based pigments such as carbon black, Victoria blue, and phthalocyanine blue are extensively used.

As the printing industry expands, particularly in sectors like packaging, newsprint, publishing, and commercial printing, the demand for these pigments grows correspondingly. The vibrant and varied colors required in modern printing processes depend heavily on these specialized pigments, making petrochemicals a backbone of the industry. In addition to pigments, resins like phenolic resins, which provide the necessary adhesive properties for inks, are in high demand. These resins are also derived from petrochemicals and are indispensable for producing high-quality printing inks. As the printing ink industry continues to grow, the requirement for these resins increases, further driving the demand for petrochemical feedstocks.

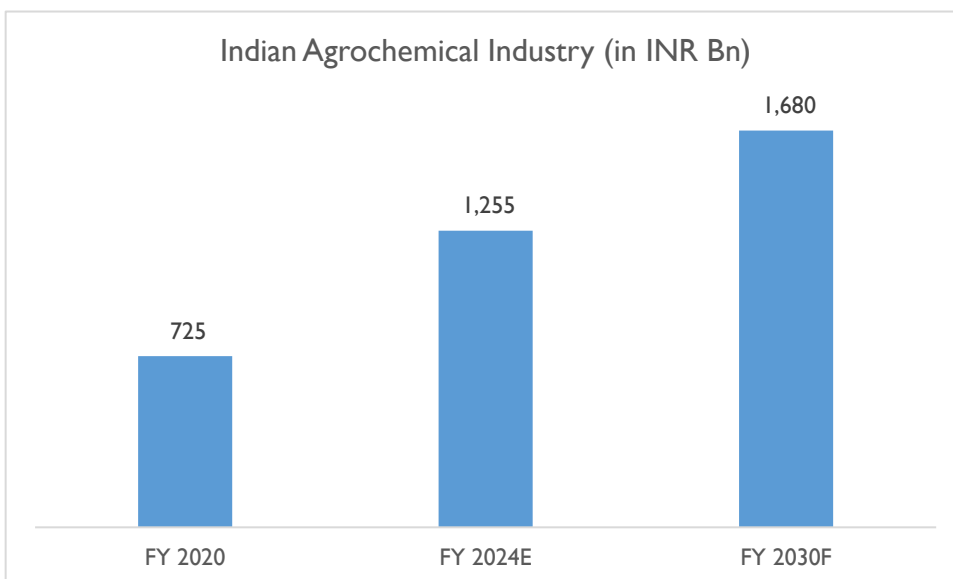
The ongoing trend towards high-performance and eco-friendly inks also stimulates demand for advanced petrochemical feedstocks. As the industry seeks to develop inks with lower environmental impact and better performance characteristics, the requirement for specialized petrochemical products, including high-purity solvents and advanced polymer resins, increases. This, in turn, drives innovation and demand in the petrochemical industry, highlighting the interconnected nature of these sectors.

In conclusion, the expansion of the printing ink industry significantly boosts the demand for petrochemical feedstocks. As the industry grows and evolves towards more advanced and sustainable products, the need for

specialized petrochemical inputs will continue to rise, fostering further development and innovation within the petrochemical sector.

### **Demand from Agrochemical Industry**

India is the fourth-largest producer of agrochemicals globally, following the United States, Japan, and China, and is also the fourth net exporter of agrochemicals and the thirteenth-largest exporter of pesticides and disinfectants. Indian agrochemical industry is estimated to be worth INR 1,255 Bn in FY 2024, and it is expected to reach a turnover of INR 1,680 Bn by FY 2030. The rising demand in the agricultural segment is driving the growth of agrochemicals in India.



Source: CMIE Industry Outlook, D&B Estimates

Agrochemicals, which include insecticides, herbicides, fungicides, and other plant-protection chemicals, rely heavily on petrochemical feedstocks for their production. Organic chemicals derived from petrochemicals are crucial in synthesizing these agrochemicals. According to the Ministry of Chemicals' India's installed capacity for insecticide and pesticide manufacturing stands at approximately 324 thousand MT, with annual production reaching 138 thousand MT in FY 2023 (up to September 2022). The industry encompasses around 280 molecules and 800 agrochemical formulations registered in India, underscoring the significant dependency on petrochemical-derived raw materials.

### **Key factors driving demand for agrochemicals**

The demand for agrochemicals in India is rising rapidly, driven by the need to enhance crop productivity and protect against pests and diseases. As the agricultural sector expands to feed a growing population, farmers are increasingly adopting insecticides, herbicides, and fungicides. This growing reliance on agrochemicals is essential for improving yields and ensuring food security. Consequently, the agrochemical market in India is experiencing robust growth, supported by both domestic consumption and export opportunities.

### **Impact of Agrochemical Industry on petrochemical feedstock**

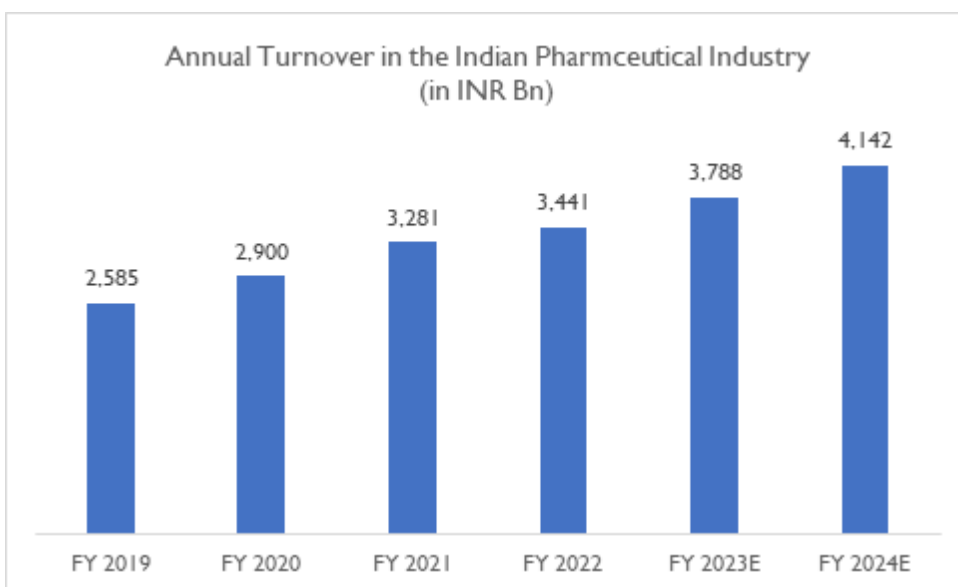
Agrochemicals play a pivotal role in driving agricultural productivity and ensuring food security for India's population. The government's fast-tracking of agrochemical projects suggests a positive trajectory for the industry, with export revenues projected to reach USD10 billion in the coming years. The future of India's agrochemical industry looks promising, with revenues expected to grow significantly, driven by favourable government initiatives, increased exports, and stable domestic and global demand.

The growth of the agrochemical industry in India is set to significantly impact the market for petrochemical feedstocks. As the demand for agrochemicals, including insecticides, herbicides, and fungicides, continues to rise domestically, there is also a notable increase in exports. Annual exports of agrochemicals reached INR 432 billion in FY 2023, with a CAGR of 18% between FY 2019 and FY 2023. This export growth is driven by competitive costing, superior product quality, and favourable export promotion measures. The increasing domestic demand combined with robust export performance underscores a rising need for petrochemical-derived raw materials.

Organic chemicals such as methanol, acetic acid, phenol, and acetone, essential for synthesizing agrochemicals, will see heightened demand. Additionally, polymers and synthetic fibers used in packaging agrochemical products will further drive the need for petrochemical feedstocks. This surge in demand is likely to prompt the petrochemical industry to expand production capacities, optimize operations, and invest in new technologies to meet the growing requirements of the agrochemical sector. Overall, the robust growth of the agrochemical industry, both in terms of domestic consumption and exports, will be a crucial factor in shaping the future dynamics of the petrochemical feedstock market in India.

### Demand from Pharmaceutical Industry

India's robust position in generic drug manufacturing has been a significant driver of growth for the pharmaceutical industry, which in turn boosts demand for the petrochemical sector. With numerous blockbuster drug patents expiring globally, Indian pharmaceutical companies have seized the opportunity to produce and export cost-effective generic alternatives, bolstering their turnover. This surge has a cascading effect on the petrochemical industry, as the production of these drugs requires substantial quantities of petrochemical-derived raw materials.



Source: Annual Report, Department of Pharmaceuticals, Dun & Bradstreet Estimates

From FY 2019 to FY 2024, the annual turnover of the Indian Pharmaceutical Industry increased at a CAGR of 9.9%, rising from INR 2,585 billion in FY 2019 to an estimated INR 4,142 billion in FY 2024. Additionally, Indian pharma companies have been expanding their global footprint through strategic acquisitions, partnerships, and compliance with international quality standards, enhancing their exports and revenue streams. Increased investment in research and development (R&D), innovation in drug formulations, and the development of new therapeutic segments have also driven industry growth. The focus on biopharmaceuticals, vaccines, and biosimilars has opened new revenue channels, further increasing the demand for petrochemical inputs.

The domestic demand for drugs & pharmaceuticals is driven by increasing number of old populations, higher spending on healthcare, penetration of health insurance products, as well as rise in incidence of diseases. Exports also plays a large part in shaping the demand scenario in the industry, as India is the largest exporter of generic medicines in the world.

### **Impact of pharmaceutical Industry on petrochemical feedstock**

The growth of the pharmaceutical industry is expected to significantly impact the petrochemical feedstock market. Pharmaceuticals rely heavily on petrochemical-derived intermediates and raw materials for the production of various drugs and medical products. As the pharmaceutical sector expands, driven by increasing healthcare demands, advancements in medical research, and rising investments, the demand for these petrochemical feedstocks will also increase. This heightened demand will likely necessitate an increase in the production capacity of essential feedstocks such as ethylene, propylene, benzene, and toluene, which are crucial in the production of pharmaceutical intermediates and active pharmaceutical ingredients (APIs).

Furthermore, the increasing demand from the pharmaceutical industry will likely drive greater investment in refining and petrochemical infrastructure to ensure a steady and reliable supply of high-quality feedstocks. This could lead to technological advancements and enhanced efficiency within the petrochemical sector. However, the growing demand may also strain existing supply chains, potentially driving up the prices of feedstocks and impacting the cost structure of both the pharmaceutical and petrochemical industries. Overall, the symbiotic relationship between the pharmaceutical industry's growth and the petrochemical feedstock market will play a crucial role in shaping the future dynamics of both sectors.

### **Demand from Specialty Polymer Industry**

The demand for specialty polymers significantly influences the petrochemical feedstock market. Specialty polymers, with their unique and advanced properties, require specific feedstocks derived from petrochemicals to achieve their performance characteristics. As the market for specialty polymers grows, driven by sectors such as automotive, electronics, and healthcare, the demand for these specific petrochemical feedstocks will increase. This shift emphasizes the need for high-quality raw materials, pushing petrochemical industries to innovate and enhance their production capabilities to meet the stringent requirements of specialty polymer manufacturing.

India's polymer demand, which stagnated at around 14.7 million tonnes during the pandemic years (2019-20 and 2020-21), is expected to rise as industries recover and expand. The Indian polymer industry, with a production capacity of 14.2 million tonnes, has seen its production remain flat at around 12.4 million tonnes during FY 2019-20 and FY 2020-21. The significant demand-supply gap, with domestic production meeting only 50% of the demand, highlights the potential for growth and the opportunities for foreign manufacturers and technology providers.

The specialty polymer market is a niche polymer additives segment in the polymer industry and is witnessing robust growth due to advancements in technology and increased application across various industries. Innovations in polymer chemistry have led to the development of materials with enhanced properties, such as higher heat resistance, greater tensile strength, and improved chemical inertness. These advancements are fuelling the adoption of specialty polymers in sectors requiring high-performance materials. For instance, the automotive industry's move towards electric vehicles and the need for lightweight materials is significantly boosting the specialty polymers market. Similarly, the growing electronics industry, with its demand for high-performance components, further propels market growth.

### **Impact of specialty polymer Industry on petrochemical feedstock**

The rising demand for specialty polymers has a profound impact on the petrochemical industry. As specialty polymers require specific and often higher-grade petrochemical feedstocks, the demand for these raw materials is expected to rise. This shift is likely to lead to increased investment in the production of high-quality petrochemical feedstocks. Additionally, the petrochemical industry might see a transformation with a greater focus on sustainability and efficiency, driven by the need to support the production of eco-friendly and high-performance specialty polymers. The move towards bio-based specialty polymers also indicates a potential shift in feedstock sources, further impacting the petrochemical industry.

In summary, the growth of the specialty polymers market directly influences the petrochemical feedstock demand, driven by advancements in automotive, electronics, and healthcare industries. As specialty polymers become

integral to various high-performance applications, the petrochemical industry will adapt to meet the evolving requirements, focusing on producing higher-quality and potentially bio-based feedstocks.

### **Demand from Industrial Chemicals**

The country's utilization of chemicals encompasses a broad spectrum of products, including fertilizers, pesticides, industrial chemicals, pharmaceuticals, and consumer goods. This consumption is influenced by population growth, urbanization, industrial development, and agricultural practices. The industry's growth trajectory is notable, with projections suggesting that by 2025, the sector will reach a value of USD 304 billion, from USD 220 billion in FY 2022. This growth is underpinned by the government's strategic initiatives to transform India into a global manufacturing hub for chemicals and petrochemicals, aligning with the vision of making India a USD 5 trillion economy.

In the chemical industry, Industrial chemicals are essential to various sectors, ranging from manufacturing to agriculture. They encompass a vast array of substances such as acids, bases, salts, solvents, and more specialized compounds like polymers, resins, and surfactants. These chemicals are fundamental in creating products and materials used daily, including plastics, fertilizers, pharmaceuticals, and consumer goods. One of the critical dependencies in the production of industrial chemicals is on petrochemical feedstocks. Petrochemical feedstocks, derived from petroleum and natural gas, serve as the raw materials for producing a wide range of industrial chemicals. For instance, ethylene is a key feedstock for producing polyethylene, ethylene oxide, and ethylene glycol. The transformation of several feedstocks into valuable industrial chemicals is facilitated by processes such as cracking, reforming, and polymerization. As the demand for industrial chemicals grows, so does the demand for these critical petrochemical feedstocks.

### **Key factors driving demand for industrial chemicals.**

#### **Agriculture Practices**

India's large and growing population continually drives the demand for various chemicals, particularly in agriculture (fertilizers, pesticides) to ensure food security. The need to feed over 1.3 billion people necessitates significant use of agricultural chemicals to enhance productivity and crop yield. The Indian fertilizer industry is on a robust growth trajectory, expected to reach a market size of INR 1.38 lakh crore by 2032, with a (CAGR) of 4.2 per year.

#### **Urbanization**

Rapid urbanization leads to increased construction activities, boosting the demand for construction chemicals, paints, coatings, and polymers. As cities expand and infrastructure projects proliferate, the consumption of industrial chemicals in construction materials and maintenance products rises correspondingly. Urban development not only necessitates the construction of residential and commercial buildings but also requires extensive infrastructure projects like roads, bridges, and public transportation systems. This results in a heightened demand for materials that ensure durability, safety, and aesthetics, further driving the consumption of industrial chemicals.

#### **Industrial Development**

The expansion of industries such as automotive, textiles, electronics, and consumer goods increases the consumption of industrial chemicals for manufacturing processes and product development. The growth of these sectors relies on a steady supply of chemicals for processes like coating, treatment, and fabrication. As these industries innovate and expand, they demand more sophisticated and high-quality chemical inputs to improve efficiency, product quality, and sustainability. This industrial growth is a critical driver of chemical demand, reflecting the interconnected nature of modern manufacturing and industrial chemical usage.

#### **Pharmaceutical Industry**

India's growing pharmaceutical industry demands a variety of specialty chemicals for drug production, contributing significantly to overall chemical consumption. The market size of India's pharmaceutical industry is

expected to reach USD 65 billion by 2024, approximately USD 130 billion by 2030, and USD 450 billion by 2047. This exponential growth will significantly drive the demand for pharmaceutical-grade chemicals and raw materials. As the global demand for affordable and high-quality medications rises, India's pharmaceutical sector continues to expand, necessitating a consistent supply of chemicals for research, development, and manufacturing of a wide array of pharmaceutical products.

The industrial chemicals sector in India is intricately linked to the petrochemical industry, relying on key petrochemical feedstocks to produce a vast array of essential products. As India continues to grow and urbanize, the demand for industrial chemicals is set to rise, driven by factors such as population growth, industrial development, and government policies. The burgeoning pharmaceutical industry, in particular, underscores the importance of the petrochemical industry as a backbone of the chemical sector, fueling the transformation of raw materials into valuable industrial chemicals that support a wide range of industries across the country.

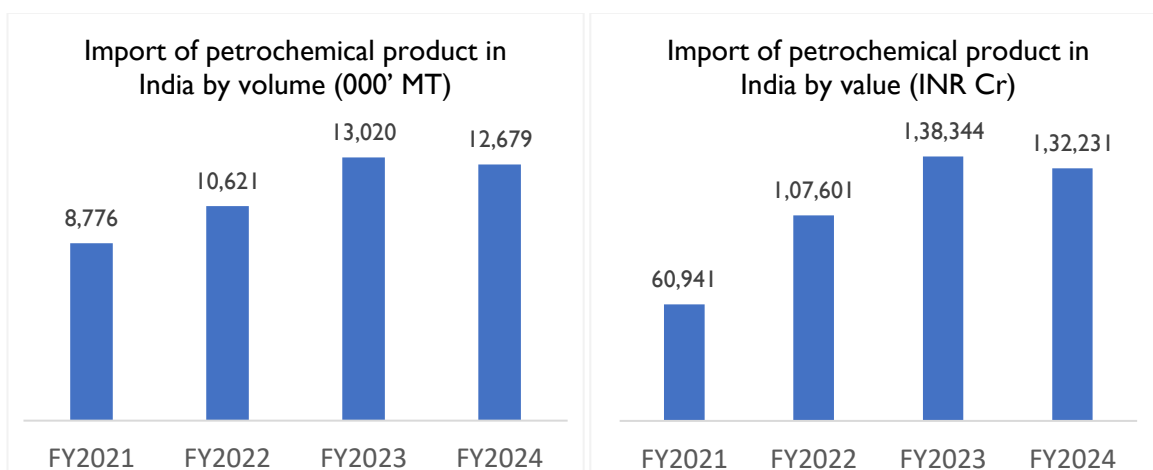
### Impact of industrial chemical industry on petrochemical feedstock

The Indian chemical industry is poised to reach USD 300 billion by 2025, significantly impacting every chemical segment, including the industrial chemical segment. The rising demand for industrial chemicals in India has a profound effect on the petrochemical feedstock market. As the industrial sector expands, driven by robust economic growth and increasing manufacturing activities, the demand for both basic and specialty chemicals surges. This heightened demand necessitates a proportional increase in the production of petrochemical feedstocks, such as naphtha and natural gas liquids, which are essential raw materials for industrial chemicals.

Consequently, the petrochemical industry is expected to ramp up capacity and optimize operations to meet this growing need. This increased demand will likely lead to greater investment in refining and petrochemical infrastructure, fostering advancements in technology and efficiency. However, it could also strain the supply chain, driving up feedstock prices and potentially affecting the cost structure of downstream products. Overall, the interplay between the demand for industrial chemicals and the supply of petrochemical feedstocks will be a critical factor shaping market dynamics in India, influencing investment strategies, production capacities, and pricing in the petrochemical sector.

### Petrochemical Imports to India

India is a net importer of petrochemical products, importing nearly 12.7 million tons of petrochemical products in FY 2024. Petrochemical import volumes have witnessed a significant rise, jumping from 8,776 thousand tonnes in FY 2021 to 13,020 thousand tonnes in FY 2023, reflecting a growth of nearly 48%. Even FY 2024, despite a slight dip, remains considerably higher than FY 2021.



Source: DGFT, D&B Estimates

The value of petrochemical imports has also seen a sharp increase, soaring from INR 60,941 crore in FY 2021 to INR 138,344 crore in FY 2023, a staggering growth of over 127%. This trend continued in FY 2024, albeit with a slight decrease.

India's domestic petrochemical production capacity is unable to keep pace with the growing demand from various sectors like paints, construction, and textiles. Domestic production is concentrated on certain petrochemical segments, leading to import reliance for others. Imported petrochemicals are more cost-competitive compared to domestically produced ones due to factors like economies of scale or lower feedstock costs in exporting countries.

### **Role of Import in Meeting Domestic Demand**

In FY'23, India witnessed a 48% surge in imports in volume and staggering growth of 127% in value for petrochemical products. This uptick in demand stems from various factors. A growing economy and population are driving increased spending, expanding the consumer base for goods dependent on petrochemicals. Urbanization is also contributing significantly as cities require more housing and infrastructure, both major consumers of these materials. Furthermore, India's expanding manufacturing sector, including industries such as automobiles and electronics, is another primary catalyst due to their heavy reliance on petrochemical products. Petrochemical intermediates are crucial for the Indian chemical industry, serving as primary feedstock for specialty chemicals. Indian refineries have added capacities to produce polymer building blocks, managing pressure from flat gross refining margins and creating more resilient income sources. By 2035, India could support around 20 refinery-cum-petrochemical integrated plants to meet the plastic consumption demands of its growing population.

These configurations may include co-located or integrated facilities, or standalone NGL feedstock crackers with varied operational integration levels. Even with different ownerships, co-locating steam crackers with refineries in industrial zones such as SEZs can save on intermediate product transfer costs, corporate overheads, staff costs, and leverage synergies in utility supply and logistics infrastructure. Despite India's self-reliance on basic petrochemical products and promising export figures, there is a significant scarcity of petrochemical intermediates or derivatives, resulting in a 50% import dependency.

### **Regulatory Framework Surrounding Petrochemical Imports to India**

#### **Regulatory Agencies Involved**

The import of petrochemical products into India is regulated by several key authorities. The Directorate General of Foreign Trade (DGFT) under the Ministry of Commerce and Industry plays a pivotal role in formulating and implementing import policies. DGFT issues Import Policy notifications, Export Policy, and Control Orders that govern the importation of goods, including petrochemical products. Importers must adhere to these policies and obtain necessary licenses or permissions as per the Import Policy.

Customs authorities oversee the physical movement of goods into the country and enforce tariff classifications and duty payments. They operate under the Central Board of Indirect Taxes and Customs (CBIC), which administers the Customs Tariff Act to determine duties applicable to petrochemical imports. Compliance with customs regulations is essential for proper clearance and entry into India.

The Ministry of Environment, Forest and Climate Change regulates environmental aspects related to the importation and handling of petrochemical products. Importers must comply with environmental norms to ensure the safe storage, handling, and transport of hazardous chemicals, thereby mitigating environmental risks and ensuring public safety.

#### **Standards and Compliance Requirements**

Bureau of Indian Standards (BIS) sets forth standards for petrochemical products to ensure quality, safety, and reliability. Compliance with BIS standards is mandatory for imported petrochemicals to ensure they meet Indian regulatory requirements. This includes specifications for product quality, packaging, labeling, and conformity assessment procedures.

Petroleum and Natural Gas Regulatory Board (PNGRB) regulates downstream activities in the petroleum sector, including refining and distribution. While primarily focused on petroleum products, its regulations may also impact certain petrochemical imports, especially those closely related to the petroleum industry.

## Taxation and Duties

Currently, the customs duties on these products are approximately 7.5%. Imported petrochemical products are subject to multiple taxes and duties. The Goods and Services Tax (GST) applies to the value of imported goods, while Customs Duties—including Basic Customs Duty (BCD), Countervailing Duty (CVD), and Special Additional Duty (SAD)—are imposed based on the classification and value of the products. Importers must accurately declare the value and classification of their goods to ensure correct assessment and payment of these duties.

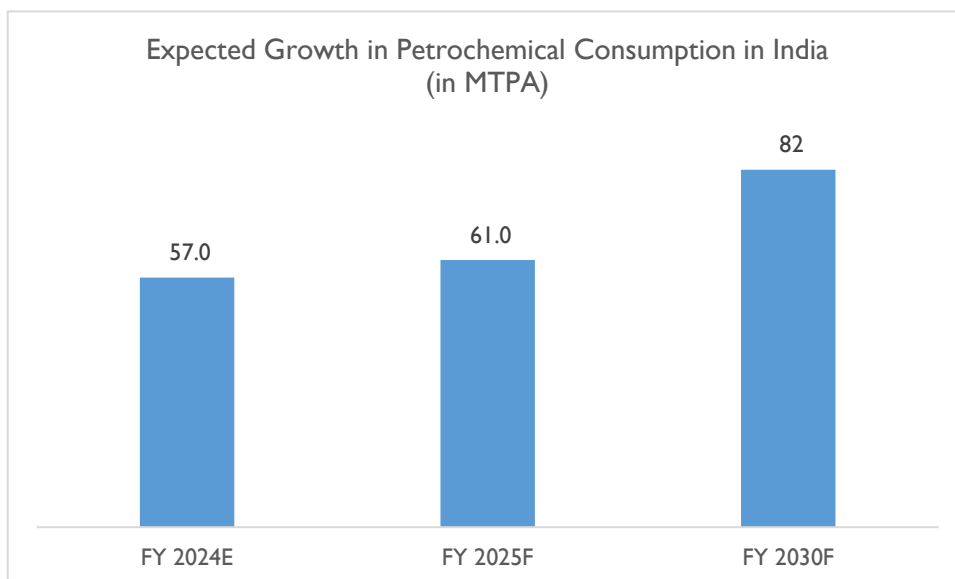
## Trade Agreements and Preferences

India participates in several bilateral and multilateral trade agreements that may offer preferential tariff rates or exemptions for certain petrochemical products. Importers can benefit from these agreements by meeting specific rules of origin and compliance criteria outlined in each agreement. Leveraging these agreements can reduce import costs and facilitate smoother trade relations with partner countries.

## Growth Forecast

While the historical performance of Indian chemical industry has been exemplary, the future holds even better growth opportunities. Domestic chemical consumption is rising steadily, and the country is expected to account for more than 20% of the incremental global consumption of chemicals that would happen globally in near future. The steady growth in industrial production is a key demand enabler.

The annual consumption of petrochemicals in India is estimated to be 57 million tons in FY 2024, and it is expected to reach nearly 61 million tons per annum by the next year (FY 2025). Petrochemical demand is closely linked to the overall economic growth, due to the widespread usage across various industry. With Indian economy poised to maintain its strong growth, the demand for petrochemicals too is expected to remain strong. Going ahead, assuming the strong economic growth in Indian continues, the annual consumption of petrochemicals in India has the potential to reach nearly 82 million tons per annum by the end of this decade<sup>8</sup>.



Source: D&B Estimates

<sup>8</sup> D&B has estimated a stable forecast of 6% for the remaining period of this decade (FY 2030). The rate assumed mirrors India's long term economic growth rate.



## **Role of Imports**

Imports have played a major role in meeting the domestic demand for petrochemicals. Although petrochemical refining sector in India have witnessed capacity addition, it was mainly focused on adding capacity on fuel products and products like polymers and olefins.

India's vibrant manufacturing sector – comprising of thousands of companies manufacturing numerous products – require a wide range of petrochemical components as input materials as well as intermediates. Despite the advances made in domestic petrochemical manufacturing, India still do not produce the entire range of petrochemical products.

Given the wide range of petrochemical products needed by the industry, together with the limitations in domestic petrochemical production scenario import of petrochemical is expected to continue to play a key role in meeting the input /intermediate product demand coming from the manufacturing sector.

Moreover, the usage of petrochemical input / intermediates products is not only limited to large players, but also include smaller players with limited production scale. This has created a large pool of consumers for petrochemical compounds who are spread across the country, with demand varying from few tons to thousand of tons. The demand for this vibrant consumer base – for a wide range of petrochemical products – would be met through a combination of domestic production and imports.

## OUR BUSINESS

*Unless otherwise stated, references in this section to “we”, “our” or “us” (including in the context of any financial information) are to the Company. To obtain a complete understanding of our Company and business, prospective investors should read this section in conjunction with “Risk Factors”, “Industry Overview”, “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 30, 93, 150 and 179, respectively, as well as financial and other information contained in this Draft Red Herring Prospectus as a whole. Additionally, please refer to “Definitions and Abbreviations” on page 1 for certain terms used in this section. The industry information contained in this section is derived from the report on “Petrochemicals” dated July 12, 2024, issued by Dun & Bradstreet Information Services India Private Limited (“**Dun & Bradstreet Report**”) for the purpose of the Issue. Some of the information set out in this section, especially information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in Equity Shares, Shareholders should read this entire Draft Red Herring Prospectus. An investment in 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 Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 150 and 179, 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.*

### OVERVIEW

We are primarily engaged in the business of importing and distribution of hydrocarbon-based chemicals of the product family viz. Acetyls, Alcohol, Aromatics, Nitriles, Monomers, Glycols Phenolic, Ketones, and Isocyanates, which are critical raw materials and inputs and have application across wide spectrum of industries like paints and coatings, printing inks, agro-chemical products, specialty polymers, pharmaceuticals products and specialty industrial chemicals.

In the petrochemical industry, there is a wide array of base chemicals that serve as the foundation for various derivative chemicals. These chemicals serve as secondary and tertiary chemicals for application in various industries. Our business focuses on the import and redistribution of these secondary and tertiary chemicals, which are essential raw materials for multiple industries.

We manage the supply chain of these secondary and tertiary chemicals derived from base chemicals. For example, benzene serves as a fundamental building block for producing essential secondary and tertiary chemicals such as phenol, styrene and aniline. These secondary and tertiary chemicals are indispensable base raw material inputs in various industries including paints, coatings, printing inks, agrochemicals, pharmaceuticals, specialty polymers, and industrial chemicals.

Our role involves sourcing these chemicals from international producers and suppliers, redistributing them to domestic industries, and ensuring sufficient and timely supply to manufacturers. By handling the import and distribution of these essential raw materials, we support various industries in accessing high-quality chemicals for their manufacturing processes. We bridge the gap between global suppliers and local industries, ensuring a steady and reliable supply of crucial chemicals.

We act as one of the preferred sourcing partners for our customers wherein we assist and support our customers for their purchase planning of these products, aggregate orders from customers, engage with global and domestic producers and suppliers to negotiate terms which includes price, specifications, quantity and delivery schedule and manage supply chain, which includes storage, handling and logistics support.

We have strategically sourced a wide variety of products from global producers and suppliers and have successfully delivered to a diverse range of customers such as Apcotex Industries Limited, Hemani Industries Limited, Gujarat Fluorochemicals Limited amongst others. Our sourcing efforts have spanned multiple countries including China, Taiwan, South Korea, Kuwait, Qatar, USA, Netherlands, Belgium and Italy amongst others.

Over the past three Fiscals, we have expanded our product portfolio from offering 21 products in Fiscal 2022 to 39 products by Fiscal 2024. Our customer base has also grown from above 400 customers by Fiscal 2022 to over 650 customers by Fiscal 2024 which has helped us to penetrate a wide market that is not only limited to number of customers but also products; while our network of suppliers has expanded from above 30 in Fiscal 22 to above 60 during Fiscal 2024. We continuously endeavour to expand the sourcing and supply of our products from diverse suppliers and from multiple countries.

Our Company was incorporated on March 31, 2005, as 'Shiv Texchem Private Limited', as a private limited company under the Companies Act, 1956 registered with the Registrar of Companies, Mumbai. Subsequently, our Company was converted into a public limited company, pursuant to a resolution passed by our Shareholders at an extraordinary general meeting held on June 11, 2024, and consequently the name of our Company was changed to 'Shiv Texchem Limited' and a fresh certificate of incorporation dated July 05, 2024 was issued by the Registrar of Companies, Mumbai. Our Company has its registered and corporate office at Mumbai, with branch offices in Mumbai, Delhi, Gandhidham, and Ankleshwar.

Our Company has a qualified management team with extensive experience and a track record of operational excellence. Our Board of Directors includes a combination of management executives and independent directors who bring in significant business expertise. We believe that the combination of our experienced Board of Directors and our dynamic management team positions us well to capitalize on future growth opportunities

Our restated audited total income for Fiscals 2024, 2023 and 2022 were ₹ 1,53,668.79 lakhs, ₹ 1,11,866.98 lakhs and ₹ 86,547.46 lakhs, respectively. Our restated audited EBITDA for Fiscals 2024, 2023 and 2022 were ₹5,991.56 lakhs, ₹3,710.19 lakhs and ₹2,274.96 lakhs, respectively. Our restated audited profit after tax for Fiscals 2024, 2023 and 2022 were ₹3,011.30 lakhs, ₹1,602.71 lakhs and ₹1,386.49 lakhs, respectively.

## Financial Overview

*(₹ in lakhs, except ratios)*

Sr No	Particulars <sup>(1)</sup>	Fiscal 2024	% of total income	Fiscal 2023	% of total income	Fiscal 2022	% of total income
A.	Revenue from operations	1,53,490.41	99.88%	1,11,759.06	99.90%	85,865.83	99.21%
B.	Other Income	178.38	0.12%	107.92	0.10%	681.63	0.79%
<b>C.</b>	<b>Total Income [A+B]</b>	<b>1,53,668.79</b>	<b>100.00%</b>	<b>1,11,866.98</b>	<b>100.00%</b>	<b>86,547.46</b>	<b>100.00%</b>
D.	EBITDA <sup>(2)</sup>	5,991.56	3.90%	3,710.19	3.32%	2,274.96	2.63%
E.	PAT	3,011.30	1.96%	1,602.71	1.43%	1,386.49	1.61%
F.	Adjusted Networth <sup>(3)</sup>	19,284.07	-	12,272.91	-	10,670.93	-
G.	Total Debt <sup>(4)</sup>	29,665.25	-	32,914.39	-	12,034.33	-
H.	Debt to Equity Ratio <sup>(5)</sup>	1.54	-	2.68	-	1.13	-
I.	ROCE (%) <sup>(6)</sup>	26.88%	-	20.98%	-	22.75%	-
J.	ROE (%) <sup>(7)</sup>	19.08%	-	13.97%	-	20.64%	-

### Notes:

- As per the restated financial statements
- EBITDA has been calculated as a sum of profit before tax, finance costs and depreciation and amortization.
- Adjusted Networth is calculated as a sum of Equity Share Capital and Reserves and Surplus (excluding deferred tax assets) as per the restated financial statements.
- Total debt is calculated as long-term borrowings plus short-term borrowings (including current maturities of long-term borrowings).
- Debt to Equity Ratio is calculated as Total Debt (short term borrowings plus long term borrowings) divided by Adjusted Networth as per Restated Financial Statements.
- ROCE is calculated as Earnings Before Interest and Tax divided by Average Capital Employed. Average Capital Employed is calculated by dividing the sum of closing capital employed of the current fiscal year and closing capital employed of the previous fiscal year by 2. Capital employed is calculated as a sum of adjusted net worth and Long-Term Borrowings. Capital Employed of FY 2021 is taken from audited financial statements.
- ROE is calculated as Restated profit for the year divided by average net worth, where average net worth is calculated by dividing sum of closing net worth of the current fiscal year and closing net worth of the previous fiscal year by 2. Net Worth of FY 2021 is taken from audited financial statements

## **OUR STRENGTHS**

### **Differentiated business model offering comprehensive and integrated commercial and supply chain solutions**

The availability of hydrocarbons is limited in India. However, India has been one of the largest consumers of chemicals & petrochemical products in the Asia Pacific region for most of the last 10 to 15 years. [*Source: Dun & Bradstreet report*]. Through our internal integrated research database, coupled with our relationships with global hydrocarbon manufacturers and suppliers, we act as a knowledge partner for our customers to plan their manufacturing and consumption plans. Our relationship with suppliers and understanding of the hydrocarbon market allow us to develop strong engagements with various global hydrocarbon manufacturers and suppliers. We assist our suppliers to optimize their distribution by providing them with secondary consumption data on a timely basis, an overview of their product specifications, as well as customer insights at the Indian market level.

We not only act as an intermediary between global suppliers and our customers, but we also provide analytical insights and supply chain solutions. Further, we are in a position to benefit from synergies and complement our distribution strengths to take positions in the global hydrocarbon commodity trade.

### **Well diversified product portfolio, customer base with extensive suppliers' network**

We are focused on sourcing and supplying the diversified products which are critical raw materials and have applications across a wide spectrum of industry including paints and coatings, printing inks, agro-chemical products, specialty polymers, pharmaceuticals products and specialty industrial chemicals. As of March 31, 2024, our product portfolio comprised around 39 products which were sourced from 60+ manufacturers and suppliers and distributed and supplied to over 650 customers. Our diversification of revenue across multiple industries and customers allows us to prevent any possible customer concentration. In addition, our diversified product portfolio allows us to counter seasonal trends and address different business cycles across industries where our products are used. With our track record and diversified product portfolio, we have been able to retain our existing customers and have also been able to attract new customers.

In addition to our broad range of hydrocarbon chemicals, we also source other niche hydrocarbon-based chemicals tailored to our customers' specific requirements. For example, we source special compounds such as Methyl Iso Butyl Ketone and food grade Hexane for specific requirement of certain of our customers. Leveraging our global network of chemical manufacturers and distributors, we can fulfil customized sourcing needs of our customers. This process involves comprehensive price comparisons and evaluations to ensure optimal value. We prioritize reliability and cost-effectiveness when placing orders with selected suppliers, fulfilling our commitments to customers efficiently and effectively.

### **Long standing and active relationships with customers**

We have developed long-term relationships with various corporations that has helped us expand our product offerings. Our customers are typically engaged in various industries, including paints and coatings, printing inks, agro-chemical products, specialty polymers, pharmaceuticals products and specialty industrial chemicals and are spread across various geographies in India, which helps us mitigate risks resulting from dependence on a limited number of customers, industry and geographic concentration. As of March 31, 2024, our product portfolio was sold to over 650 customers in India.

We assist and support our customers for their purchase planning of these products, which we believe are critical raw materials / inputs in their manufacturing processes. Our customer engagements are dependent on us for consistently delivering quality products. Our long-term relationships and ongoing active engagements with customers also allow us to plan our working capital and supply chain management, enhance our ability to benefit from increasing economies of scale with stronger purchasing power for raw materials and a lower cost base. These enduring customer relationships have also helped us in expanding our product offerings across diverse customer base.

Our procurement options are designed to offer flexibility and convenience, allowing our customers to choose the sourcing model that best suits their needs. Whether it's direct procurement from large manufacturers or global suppliers, we tailor our approach to align with the unique requirements of each customer. This flexibility extends to our pricing models as well as with multiple long-term and short-term contracts. To accommodate our customers' needs, we conduct thorough assessments of market conditions and resource availability across various manufacturers and suppliers worldwide. We utilize subscriptions to various industry databases and market research agencies viz. Platts Markets Data by S&P Global Commodity Insights and Independent Commodity Intelligence Services, to perform detailed market and product assessments. Our aim is to ensure seamless and secure operations for our customers through management of tracking of global petroleum and hydrocarbon markets, complex storage solutions and maintaining an extensive network of suppliers across key markets. Our expertise lies in sourcing the desired quantity of hydrocarbon-based chemicals within the required time frame at the lowest possible cost. With our understanding of global geopolitical shifts and hydrocarbon market, we intend to safeguard operations, enabling uninterrupted supply chains and maximizing efficiency.

### **Experienced, committed and qualified professional management team with deep understanding of hydrocarbon-based chemical industry**

We have an experienced and qualified management team including our Promoter and Chairman & Managing Director, Vikas Pavankumar who has obtained bachelor's degree in Industrial Engineering from Purdue University and completed his graduation programme in Management from the Indian School of Business with overall work experience of around 14 years, our Promoter and Whole Time Director & CFO, Hemanshu S. Chokhani, who is a rank-holder Chartered Accountant with management education from the Indian Institute of Management, Ahmedabad, with overall work experience of around 14 years and our Whole Time Director Shyamsundar Chokhani who has obtained his master's degree in mechanical engineering from the Indian Institute of Technology, Bombay and has completed a Middle Management Course of the 3-Tier Programme for Management Development held by the Indian Institute of Management with overall work experience of more than five decades. Thus, we are well placed to capitalize the knowledge and experience of our management team which has been instrumental in the growth of our Company.

Our individual members of Promoters and Promoters Group, who also form part of the Board of Directors of our Company and our management team have demonstrated their ability to develop and execute growth strategies to expand our business operations and optimize costs, enabling us to strengthen our market position and deliver consistent financial performance. We believe that their experience and understanding of the industry, regulatory affairs, quality control, sales, marketing and finance will enable us to continue to take advantage of both current and future market opportunities.

### **Focus on providing storage solution**

Our storage infrastructure arrangements act as a critical part of our operations, providing secure and reliable storage solutions for a wide range of chemicals and materials. We have entered into storage and handling agreements at Kandla, Mundra, JNPT, Mumbai and Hazira ports, as well as we also arrange few contracted storage facilities as per requirement of our customers. From specialized facilities for sensitive chemicals to bulk storage tanks for hydrocarbon chains, we have the capability to handle any requirement with precision and efficiency. This infrastructure not only ensures the availability of materials when needed but also enables us to provide timely and reliable last-mile solutions for our customers.

### **Consistent financial performance**

Our Company commenced business operations in 2005 and has built its business organically and has demonstrated consistent growth in terms of revenues and profitability. Our revenue from operations have grown from ₹ 85,865.83 lakhs in Fiscal 2022 to ₹ 1,53,490.41 lakhs in Fiscal 2024, registering a CAGR of 33.70% in three years, our EBIDTA have grown from ₹ 2,274.96 lakhs in Fiscal 2022 to ₹ 5,991.56 lakhs in Fiscal 2024 registering a CAGR of 62.29% in three years, and our PAT has grown from ₹ 1,386.49 lakhs in Fiscal 2022 to ₹ 3,011.30 lakhs in Fiscal 2024, registering a CAGR of 47.37% in three years on account of increase in sales of high margin products and introduction of new products.

## **OUR STRATEGIES**

### **Further penetrate hydrocarbon and petrochemical market in India**

India has been one of the largest consumers of chemicals & petrochemical products in the Asia Pacific region for most of the last 10 to 15 years. The rapid growth in India's manufacturing infrastructure during this time period has created strong demand for a wide range of chemical & petrochemical input materials and intermediates. As India became one of the fastest growing economies in the world, the annual growth in demand for chemical & petrochemical input materials and intermediates too increased at a fast pace. Focusing on optimizing supplier network to enable procurement at competitive pricing, lead to an overall efficient cycle. While India's current per capita consumption of petrochemicals is significantly lower than the global average, the country's economic growth, government initiatives, and rising domestic and export demand present substantial opportunities for the petrochemical industry. These disparities highlight the significant potential for growth in India's petrochemical consumption as the country continues to develop its industrial base and expand its production capacities to meet both, domestic and global demand. As India continues to industrialize and urbanize, the demand for petrochemical products will likely surge, supporting the country's economic expansion and enabling it to address the needs of its diverse end-use sectors (*Source: Dun & Bradstreet Report*)

With our diversified product portfolio, wide customer base and extensive supplier network, we intend to capture the growing market opportunity and further penetrate our market presence. We believe that due to our flexible business model, we can offer a competitive advantage to our customers.

### **Strengthening existing customer relationships and build new customer relationship through our product portfolio**

We have maintained long-standing relationships with our customers over the years and the repeat and increased orders received from them are an indication of our position as a preferred sourcing partner as compared to our competitors. We intend to focus on increasing our wallet share with existing customers. We have built long-standing relationships with our customers through consistent delivery of quality products as per customers' requirements, which we intend to leverage by entering into long-term marketing arrangements. We intend to add new products in our product portfolio to cater to additional requirements of existing customers and add new ones. In addition, we continue to leverage our existing sales and marketing network, diversified product portfolio and our industry standing to establish relationships with new customers and manufacturers providing them a competitive edge in product quality, supply consistency and competitive pricing. As a business strategy, we intend to further expand our customer network for us to capitalize and grow our business operations.

### **Further optimising our working capital cycle**

Effective management of our working capital cycle is crucial for maintaining seamless operations. We have established fund-based and non-fund based working capital arrangements with 13 banking partners, which play a vital role in this process. These partnerships provide us with the financial flexibility to efficiently manage transactions with both customers and suppliers. Through these banking relationships, we can maintain timely and adequate inventory levels and offer favourable credit terms to our customers. This financial support not only stabilizes our cash flow but also enhances our ability to meet customer demands promptly and sustain strong supplier relationships, driving our business growth and operational efficiency.

We intend to maintain operational efficiency and profitability by optimizing working capital management. This involves carefully balancing inventory levels to meet customer demand without overstocking, ensuring timely collection of receivables and negotiating favourable payment terms with suppliers. By efficiently managing cash flow, we aim to sustain a strong financial position and support ongoing growth in the competitive environment.

We intend to utilize part of the net proceeds from the Issue towards financing our long-term working capital requirements. Due to this, we believe we can further expand our business operations, expand product offering and offer favourable terms to our customers. For further details, please refer to the section titled "*Objects of the Issue*" on page 79 of this Draft Red Herring Prospectus.

## Expand our Product Portfolio and diversify into additional business segments

We currently source and sell hydrocarbon-based chemicals under the product family *viz.* Acetyls, Alcohol, Aromatics, Nitriles, Monomers, Glycols, Phenolic, Ketones, and Isocyanates. With our current and proposed products, we plan to further increase our product range and cater to additional segments while enhancing our reach to diversified customers. We currently supply our products for major applications in manufacturing of paints and coatings, printing inks, agro-chemical products, specialty polymers, pharmaceuticals products and specialty industrial chemicals. Our products are used at different stages across these application segments as excipients, emulsification, surfactants, ingredients, reagents, buffering agents, refining agents, among other resources.

We intend to expand the sale of our products to other industries where such products have applications. We believe expanding our product range will enable us to better utilize our capabilities, manpower and other resources. The marketing of the new products will be aided by our existing customer base, long-standing trade relations and overall goodwill in the chemical industry.

## PRODUCT PORTFOLIO

The table below sets forth details of certain of our products family, sub-product group and certain applications of these products, which we source from the global manufacturers and suppliers and supply to our customers :

Product Family	Sub-Product Group	Application of Product
<b>Acetyls</b>	Acetic Acid	Industrial chemicals
	N-Butyl Acetate	Paints, thinners, coating, inks
	N-Propyl Acetate	Paints, thinners, coating, inks
	Vinyl Acetate Monomer	Adhesives and Polysols
<b>Alcohol</b>	2-Ethyl Hexanol	Plasticizers
	Isobutanol	Plasticizers and Paints
	Isopropyl Alcohol	Sanitizers, Pharmaceuticals and Inks
	Methanol	Plywood, Pharmaceuticals and Agro products
	N Butanol	Plasticizers and coating
	N Propyl Alcohol	Agro-chemical and Esterification
<b>Aromatics &amp; Blended Stock</b>	De-Aromatised Solvents-D40/D80/D100	Mosquito repellents
	Exxsol Hexane/ N-Hexane	Agro-chemical and Paints
	Isomer/Solvent Mix Xylene	Paints and Coatings and Agro-Chemicals
	Solvent C-9 and C-10	Paints and Agrochemicals
	Toluene	Paints, Inks, Pharmaceuticals and Nitration process
<b>Inorganics and Allied</b>	Aluminium chloride	Agro products and pigments
	Caustic Soda Lye	Pharmaceuticals, Agrochemicals and Dyes
	Caustic Soda Flakes	Pharmaceuticals, Agrochemicals and Dyes
	Hydrochloric Acid	Amines and Agro products
	Light Soda Ash	Detergents and Agrochemical
	Nitric Acid	Nitration
	Sulphuric Acid	Dyes, Agrochemicals and Florochemicals
<b>Phenolic &amp; Ketones</b>	Acetone	Pharmaceuticals
	Cyclohexanone	Agrochemicals and Ketonic Resins
	Methyl Ethyl Ketone	Inks, Packaging and Agrochemicals
	Methyl Iso Butyl Ketone	Inks, Packaging and Automobile Lubricants

<b>Product Family</b>	<b>Sub-Product Group</b>	<b>Application of Product</b>
	Phenol	Plywoods and Agrochemicals
<b>Isocyanates</b>	Aniline	Inks, Dyes and Agrochemical
<b>Intermediate and Basic Chemicals</b>	DMF	Pharmaceutical and Agro Products
	Pthalic Anhydride	Paints and Resins
	Maleic Anhydride	Paints and Resins
	Tetrahydrofuran	Battery
	Ethylene Di Chloride	PVC pipes and Pharmaceuticals
	Linear Alkyl Benzene	Soaps and Detergents
	Melamine	Plywood and construction materials
<b>Monomers</b>	2-Ethylhexyl Acrylate	Paints
	Acrylonitrile	Polymers, Oil Drilling and Acrylic Fibers
	Methyl Methacrylate	Construction materials and Paints
	N-Butyl Acrylate	Paints and BOPP Tapes
	Styrene Monomer	Resins and Emulsions
<b>Glycol</b>	Butyl Glycol	Paints and Coatings
	Propylene Glycol	Eye drops and Cosmetic products

## **BUSINESS PROCESS**

Our business process primarily involves the followings steps:

**a) Study the global production data and consumption needs of our customers:**

We employ in-house tools and industry database to study the global production and consumption of hydrocarbon chemicals, analyse the pricing trends, assess the acceptability of the products in Indian market and project the demand of domestic consumers. We then generate leads and inquiries from new as well as existing customers and liaise with them to receive confirmed purchase orders.

On the basis of our internal assessment of availability of the products in the international markets and price movement, we assist the customers in their purchase plans for the required quantity and schedule of delivery.

**b) Aggregating orders from the customers:**

For a particular product or products under the family, we aggregate the orders from multiple customers in order to ensure to place order as per our customers' requirements. Depending upon the requirements and the nature of the product, we may make orders which are economically viable for our business.

**c) Liaise with suppliers to arrange the requisite supply of products:**

On receipt of confirmed purchase orders from the customers, we approach the suppliers of the particular product and negotiate the commercial and delivery terms to match the expected delivery schedule of our customers. After considering various critical factors such as expected price movement, further expected demands from other customers and delivery schedules, we place confirmed purchase orders with the suppliers.

**d) Manage supply chain including storage facilities:**

Based on the confirmed purchase orders, the supplier despatches the required products as per the negotiated delivery terms and schedule. On receipt of products at the place of delivery, we store the same



at the storage facility to further dispatch the products to pre-ordered deliveries placed by our customers and store the balance quantity to fulfil any spot demand. We generally arrange to liquidate the inventories based on schedules given by the customers and also on the basis of spot orders.

## PROPERTIES

Our registered office is situated at 216, 2nd Floor, Kamla Space, Khira Nagar SV Road, Santacruz (W) Mumbai 400054, Maharashtra and Corporate Office at 602, Savoy Chambers, Dattatray Road, Hasmukh Nagar, Santacruz West, Mumbai 400054. Additionally, we also maintain branch offices at Mumbai, Delhi, Ankleshwar and Gandhidham. Our offices are used by us on a leasehold basis. Set out below are details of our properties as on June 30, 2024:

No	Particular	Address	Owned/Leased	Lease Expiry
1	Registered Office	216, 2nd Floor, Kamla Space, Khira Nagar SV Road, Santacruz (W) Mumbai – 400054	Leased	March 31, 2026
2	Corporate Office	602, Savoy Chambers, Dattatray Road Hasmukh Nagar, Santacruz West Mumbai-400054	Leased	December 08, 2028
3	Office	126/3, GIDC Estate Near Lupin Lt Ankleshwar – 393002	Leased	March 31, 2026
4	Office	Office No 14, 2nd Floor Madhav Darshan, Plot No 7, Sector 8, Gandhidham, Kutch – 370201	Leased	July 31, 2024
5	Office	BG-131, Ground Floor Sanjay Gandhi Transport Nagar, Delhi- 110042	Leased	March 31, 2028


In addition to the above, we have also entered into Storage and Handling Service Agreements with certain vendors to store several of our products at Deendayal Port at Kandla, Gujarat and Jawaharlal Nehru Port Trust Terminal at Nava Sheva, Navi Mumbai.

## INSURANCE

Our operations are subject to various risks. The risks inherent to our operations include property damage, fire, explosions, loss in-transit, burglary, accidents, personal injury or death and natural disasters. We maintain insurance coverage that we consider necessary in respect of our business, operations, products and resources. Our principal type of insurances coverage includes marine cargo open policy and stock insurance policy, which *inter alia* covers transport of raw material, finished products, natural disasters, fire, leakage and accidental damage.

We believe that our insurance coverage is in accordance with industry customs, including with respect to the terms of, and the coverage provided by, such insurance and is reasonably sufficient to cover all anticipated risks associated with our operations. However, there can be no assurance that the insurance availed by us would be adequate to cover all risks and losses. For further details, please refer to the section titled “*Risk Factors*” on page 30 of this Draft Red Herring Prospectus.

## INTELLECTUAL PROPERTY

Our business activities are housed under the brand name ‘Shiv Texchem’. We undertake our business activities under the logo , although the same is not registered under the Trade Marks Act, 1999. In our industry and the customers to whom we service, the quality of the product and registration of our Company as approved vendor is the material criteria for sourcing new business and as such, the brand does not have much recognition. Our Company has also registered the domain name ‘http://www.shivtexchem.com’ on which we host our website. For further information on the intellectual property of our Company, see “*Government and Other Approvals*” on page 199 and “*Risk Factors*” on page 30 of this Draft Red Herring Prospectus.

## SALES & MARKETING

We engage with procurement teams of our customers to gain deeper insights into their specific requirements.

During the sales process, our representatives adeptly present our products, highlighting key differentiators such as our storage capabilities, product availability and competitive pricing, emphasizing our unique value proposition. Furthermore, we leverage our internal market analysis to augment our pitch, providing customers with valuable insights to enhance their decision-making process. Post-onboarding, we maintain regular communication with customers, providing updates on market pricing and product analysis conducted by our team to ensure continuous engagement and to strengthen our relationship with them. Our sales team establish connections with different industries where there is a requirement of hydrocarbon based chemical products and we also maintain post-sale relationships to ensure customer satisfaction and repeated business.

## HUMAN RESOURCES

As of March 31, 2024, our Company had 50 permanent employees. Details of the permanent employees of our Company are set forth below:

<b>Department of Company</b>	<b>Nos. of Employees</b>
Marketing, Procurement, Operations and Logistics	22
Accounts, Finance and Banking	22
Others	6
<b>Total</b>	<b>50</b>

## CORPORATE SOCIAL RESPONSIBILITY

We firmly believe in the importance of Corporate Social Responsibility (“CSR”) and we are committed towards our duty to enhance social, economic and environmental welfare. We actively engage in diverse initiatives and programs. Our CSR policy follows the requirements of the Companies Act, 2013 and the rules framed thereunder. Our CSR activities are monitored by our CSR Committee. During the Fiscal 2024, Fiscal 2023 and Fiscal 2022, we incurred an expense of ₹ 35.00 lakhs, ₹ 25.00 lakhs and ₹ 25.00 lakhs, respectively, for supporting animal welfare and women and children education. For details of the terms of reference of CSR committee, please refer to the section titled “*Our Management*” on page 129 of this Draft Red Herring Prospectus.

## KEY REGULATIONS AND POLICIES

This Chapter is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory authorities, and the bylaws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive in nature and intend to merely provide general information to the shareholders and are neither designed, nor intended to substitute professional legal advice.

For details of Government Approvals obtained by us, see the section titled “*Government and Other Approvals*” on page 199 of this Draft Red Herring Prospectus.

### **The Companies Act**

The consolidation and amendment made in the law related to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013 and rules made thereunder.

The Companies Act primarily regulates the formation, financing, functioning and restructuring of companies as separate legal entities. The Act provides regulatory and compliance mechanisms regarding all aspects relevant to organizational, financial and managerial aspects of the company. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders and creditors. The Companies Act plays the balancing role between these two competing factors, namely management autonomy and investor protection.

### **SEBI Regulations**

The Securities and Exchange Board of India is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market and intermediaries thereto. Apart from other rules and regulations, listed entities are mainly regulated by the SEBI Act, 1992, Securities Contract Regulation Act, 1956, Securities Contracts (Regulation) Rules, 1957, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

### **Corporate and Commercial Laws**

#### **Competition Act, 2002**

The Competition Act, 2002 came into effect on June 1, 2011, and has been enacted to “prohibit anti- competitive agreements, abuse of dominant positions by enterprises” and 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 Act prohibits Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India.

#### **Indian Contract Act, 1872**

Indian Contract Act codifies the way we enter into a contract, execute a contract, implementation of provisions of a contract and effects of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced as amended from time to time. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them.

### **Foreign Exchange Management Act, 1999**

The foreign investment in India is governed, among others, by the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (“**FEMA Rules**”) and the consolidated FDI policy (effective from October 15, 2020) issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion (“**FDI Policy**”), each as amended. Further, the Reserve Bank of India has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on October 17, 2019, which regulates mode of payment and remittance of sale proceeds, among others. The FDI Policy and the FEMA Rules prescribe inter alia the method of calculation of total foreign investment (i.e. direct foreign investment and indirect foreign investment) in an Indian company.

### **Foreign Trade (Development and Regulation) Act, 1992 (“FTDRA”), the Foreign Trade (Regulation) Rules, 1993 (“FTRR”)**

The FTDRA provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India. The FTDRA empowers the Central Government to formulate and amend the foreign trade policy. The FTDRA prohibits any person from making an import or export except under an Importer-exporter Code Number (“**IEC**”) granted by the director general or any other authorized person in accordance with the specified procedure. The IEC may be suspended or cancelled if the person who has been granted such IEC contravenes, amongst others, any of the provisions of the FTDRA, or any rules or orders made thereunder, or the foreign policy or any other law pertaining to central excise or customs or foreign exchange. The FTDRA also prescribes the imposition of penalties on any person violating its provisions. The FTRR prescribes the procedure to make an application for grant of a license to import or export goods in accordance with the foreign trade policy, the conditions of such license, and the grounds for refusal of a license. The FTDRA empowers the Central Government to, from time to time, formulate and announce the foreign trade policy. The Foreign Trade Policy came into effect in 2017 and requires all importers and exporters to obtain an IEC. Further, pursuant to the policy, the Director General of Foreign Trade may impose prohibitions or restrictions on the import or export of certain goods, for reasons including the protection of public morals, protection of human, animal or plant life or health, and the conservation of national resources. The Foreign Trade Policy also prescribes restrictions on imports or exports in relation to specific countries, organizations, groups, individuals or products. The Foreign Trade Policy also provides for various schemes, including the export promotions capital goods scheme and duty exemption/remission schemes.

### **The Foreign Trade (Development and Regulation) Act, 1992 (“FTA”)**

In India, the main legislation concerning foreign trade is FTA. The FTA read along with relevant rules provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the Act, the Government: (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; and (iii) is authorized to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Gazette.

FTA read with the Indian Foreign Trade Policy 2015 – 2020 (extended up to March 31, 2022) provides that no export or import can be made by a company without an importer-exporter code number unless such person or company is specifically exempt. An application for an importer exporter code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract penalty under the FTA.

### **Negotiable Instruments Act, 1881**

In India, any negotiable instruments such as cheques are governed by this Act, Section 138 of the Act, makes dishonor of cheques a criminal offence if the cheque is dishonored on the ground of insufficiency of funds in the account maintained by a person who draws the cheque which is punishable with imprisonment as well as fine.

### **The Registration Act, 1908 (“Registration Act”)**

The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

### **The Arbitration and Conciliation Act, 1996**

This act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation.

### **The Insolvency and Bankruptcy Code, 2016**

The Insolvency and Bankruptcy Code, 2016 (the “code”) cover Insolvency of individuals, unlimited liability partnerships, Limited Liability partnerships (LLPs) and companies. The Insolvency Regulator (The Insolvency and Bankruptcy Board of India) has been established to exercise regulatory oversight over (a) Insolvency Professionals, (b) Insolvency Professional Agencies and (c) Information Utilities.

### **Information Technology Act, 2000**

The Information Technology Act, 2000 (also known as ITA-2000, or the IT Act) is an Act of the Indian Parliament (No 21 of 2000) notified on 17 October 2000. It is the primary law in India dealing with cybercrime and electronic commerce. Secondary or subordinate legislation to the IT Act includes the Intermediary Guidelines Rules 2011 and the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rule, 2021. The laws apply to the whole of India.

The Act provides a legal framework for electronic governance by giving recognition to electronic records and digital signatures. It also defines cyber-crimes and prescribes penalties for them. If a crime involves a computer or network located in India, persons of other nationalities can also be indicted under the law. The Act directed the formation of a Controller of Certifying Authorities to regulate the issuance of digital signatures. It also established a Cyber Appellate Tribunal to resolve disputes arising from this new law.

### **Tax Related Regulations**

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

The Income Tax Act, 1961 is applicable to every Domestic/Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. Under section 139(1) every Company is required to file its Income tax return for every Previous Year by 31<sup>st</sup> October of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and the like are also required to be complied with by every Company.

#### **Goods and Services Tax Act, 2017**

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Government has enacted State Goods and Service Tax Act for respective states. Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the central and state governments on goods as services. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two levels of taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called intra-state transactions, then both the CGST and SGST will be collected. Whereas if the

supply of goods or services happens between the states called interstate transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination-based taxation principle in addition to the Customs Duty which has not been subsumed in the GST.

### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an Importer Exporter Code (IEC) in terms of provisions of the Foreign Trade Development and Regulation Act, 1992. Imported goods in India attract basic customs duty, additional customs duty and cesses in terms of the provisions of the Customs Act, 1962, Customs Tariff Act, 1975 and the relevant provisions made thereunder. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the assessable value of the goods. Customs duties are administrated by Central Board of Indirect Taxes and Customs under the Ministry of Finance.

### **State Tax on Profession, Trades, Callings and Employment Rules, 1975**

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

### **Labour Related Legislations**

Our operations are subject to compliance with certain additional labour and employment laws in India. These include, but are not limited to, the following:

- The Child Labour (Protection and Prohibition) Act, 1986
- The Contract Labour (Regulation & Abolition) Act, 1970
- The Employees Compensation Act, 1923
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- The Employees' State Insurance Act, 1948
- The Equal Remuneration Act, 1976
- The Maternity Benefit Act, 1961
- The Minimum Wages Act, 1948
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- The Payment of Wages Act, 1936
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In order to rationalize and reform labour laws in India, the Government has enacted the following codes:

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

The Code on Wages, 2019 received the assent of the President of India on August 8, 2019, and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. Through its notification dated December 18, 2020, the GoI brought into force sections 42(1), 42(2), 42(3), 42(10), 42(11), 67(ii)(s), 67(ii)(t) (to the extent that they relate to the Central Advisory Board) and 69 (to the extent that it relates to sections 7, 9 (to the extent that they

relate to the GoI) and 8 of the Minimum Wages Act, 1986)) of the Code on Wages, 2019. The remaining provisions of this Code will be brought into force on a date to be notified by the GoI.

### **The Occupational Safety, Health and Working Conditions Code, 2020**

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this Code will be brought into force on a date to be notified by the Central Government. The GoI has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees.

### **The Industrial Relations Code, 2020**

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020, and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this Code will be brought into force on a date to be notified by the GoI.

### **The Code on Social Security, 2020**

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers' Social Security Act, 2008. The provisions of this Code will be brought into force on a date to be notified by the GoI. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and Cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers.

## **Industry/Business Related Regulations**

### **Shops and Establishments Legislations**

Under the provisions of local shops and establishments legislations applicable in different states, commercial establishments are required to be registered. Such legislations regulate the working and employment conditions of workers employed in shops and commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

### **Narcotics and Drug Psychotropics Substances Act, 1985 (“NDPS Act”)**

The NDPS Act of 1985 serves to combat the widespread abuse and illegal trafficking of narcotics and psychotropic substances. The Act categorizes these substances into different schedules based on their potential for abuse and medical use, thereby governing their production, distribution, and consumption. It imposes strict penalties for offenses related to these substances, aiming to deter illicit activities while promoting legitimate medicinal and scientific use under controlled conditions. By establishing clear guidelines and enforcement mechanisms, the NDPS Act plays a crucial role in safeguarding public health and maintaining law and order concerning controlled substances in the country.

## **Municipality Laws**

State governments are empowered to endow municipalities with such powers and authority as may be necessary to enable them to perform functions in relation to permitting the carrying on of trade and operations. Accordingly, State governments have enacted laws authorizing municipalities to regulate use of premises, including regulations for issuance of a trade license to operate, along with prescribing penalties for non-compliance.

## **Prevention of Black Marketing and Maintenance of Supplies Act, 1980**

The Prevention of Black Marketing and Maintenance of Supplies of Essential Commodities Act, 1980, ensures the equitable distribution and availability of essential goods. This legislation aims to curb black marketing practices that manipulate supply chains and create artificial scarcity, particularly during critical periods or emergencies. Under the Act, stringent measures are in place to regulate the production, distribution, and sale of essential commodities, thereby safeguarding consumer interests and maintaining market stability. By imposing penalties on offenders engaged in illegal activities such as hoarding, profiteering, and smuggling of essential goods, the Act serves to uphold fair trade practices and ensure that these commodities reach the general public without undue price inflation or shortages.

## **The Poison Act, 1919**

The Poison Act regulates the handling, distribution, and use of hazardous substances deemed poisonous or toxic. Such legislation typically aims to safeguard public health and safety by imposing strict controls on the manufacturing, importation, storage, sale, and disposal of these substances. It establishes guidelines for labeling requirements, packaging standards, and safety protocols to prevent accidents, misuse, or intentional harm. By defining what constitutes a poison and specifying legal obligations for businesses and individuals involved in their management, the Poison Act plays a crucial role in ensuring compliance with health and environmental standards. These laws are enforced through inspections, licensing requirements, and penalties for non-compliance, thereby promoting responsible practices and mitigating risks associated with poisonous substances within a community or country.

## **Food Safety and Standards Authority of India (FSSAI) Act**

The Food Safety and Standards Authority of India (FSSAI) Act, enacted in 2006, ensures food safety and hygiene. Under this legislation, the FSSAI was established as the apex body responsible for formulating and enforcing food safety standards across the country. The Act aims to consolidate various laws and regulations pertaining to food into a single cohesive statute, thereby streamlining the process of ensuring food safety from production to consumption. FSSAI's mandate includes setting standards for food products, regulating their manufacturing, distribution, and sale, and overseeing imports to prevent the entry of unsafe food items into the Indian market. Moreover, the Act empowers FSSAI to license and regulate food businesses, conduct inspections, and impose penalties for non-compliance with food safety regulations. By promoting transparency, accountability, and adherence to stringent quality norms, the FSSAI Act plays a crucial role in safeguarding public health and fostering consumer trust in the food supply chain nationwide.



## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief History of our Company

Our Company was originally incorporated as 'Shiv Texchem Private Limited' as a private limited company under the provisions of the Companies Act, 1956, pursuant to certificate of incorporation dated March 31, 2005, issued by Registrar of Companies, Maharashtra, Mumbai. ("ROC"/ "Registrar of Companies"), with the name 'Shiv Texchem Private Limited' bearing Corporate Identity Number U24110MH2005PTC152341. We are primarily engaged in the business of importing and distribution of hydrocarbon-based chemicals.

Subsequently, our Company was converted from a private limited company to a public limited company pursuant to special resolution passed by our shareholders at an Extra-Ordinary General held on June 11, 2024, and the name of our Company was subsequently changed to 'Shiv Texchem Limited.' A fresh certificate of incorporation consequent to conversion dated July 05, 2024, was issued by the Registrar of Companies bearing Corporate Identity Number U24110MH2005PLC152341.

### Change in Registered Office

Our Company has its Registered Office at Kamla Space, Unit No. 216, 2nd Floor Khira Nagar TPS III, S.V.Road, Santacruz, (West), Mumbai, Maharashtra, India, 400054. Except as disclosed below, there has been no change in the registered office of our Company since incorporation.

Effective Date	From	To	Reason
March 28, 2005	-	A-204 Hemu Arcade, Opp Rly. Station, V.P. Road, Vile-Parle (W), Mumbai – 400 056	Registered Office on Incorporation
November 11, 2013,	A-204 Hemu Arcade, Opp Rly. Station, V.P. Road, Vile-Parle (W), Mumbai – 400 056	Kamla Space, Unit No. 216, 2nd Floor Khira Nagar TPS III, S.V.Road, Santacruz, (West), Mumbai, Maharashtra, India, 400054	Administrative Convenience

### Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

- To Carry on the business of manufactures, buyers, sellers, dealers, commission agents, importers, exporters and distributors of dyes and dye intermediates, all type of textiles, organic and inorganic chemicals, chemicals compounds and element (Solid, liquid and gaseous) heavy and fine chemicals, chemicals of nature, chemicals, components, chemical products, textile, chemicals, chemical auxiliaries, any type of chemicals and any other product.*

### Amendments to the Memorandum of Association

Except as stated below, there has been no amendments in the Memorandum of Association of our Company since the last 10 years.

Date of Shareholder's resolution	Particulars
Change in Capital Clause On Incorporation	Authorized Share Capital consisting of 1,00,000 Equity Shares having face value of ₹10 each aggregating to ₹10 lakhs
May 16, 2005	The Authorised Share Capital increased from ₹10 lakhs divided into 1,00,000 Equity Shares having face value of ₹10 each to ₹35 lakhs divided into 3,50,000 Equity Shares having face value of ₹10 each

<b>Date of Shareholder's resolution</b>	<b>Particulars</b>
September 31, 2005	The Authorised Share Capital increased from ₹35 lakhs divided into 3,50,000 Equity Shares having face value of ₹10 each to ₹60 lakhs divided into 6,00,000 Equity Shares having face value of ₹10 each
March 17, 2007	The Authorised Share Capital increased from ₹60 lakhs divided into 6,00,000 Equity Shares having face value of ₹10 each to ₹95 lakhs divided into 9,50,000 Equity Shares having face value of ₹10 each
August 27, 2021	The Authorised Share Capital increased from ₹95 lakhs divided into 9,50,000 Equity Shares having face value of ₹10 each to ₹300 lakhs divided into 30,00,000 Equity Shares having face value of ₹10 each
April 02, 2024	The Authorised Share Capital increased from ₹300 lakhs divided into 30,00,000 Equity Shares having face value of ₹10 each to ₹2,500 lakhs divided into 25,00,00,000 Equity Shares having face value of ₹10 each

### **Corporate profile of our Company**

For details regarding the description of our Company's activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, launch of key services, entry in new geographies or exit from existing markets, major distributors and customers, segment, marketing and competition, please refer to the chapters titled "*Our Business*", "*Our Management*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 111, 129 and 179 respectively, of this Draft Red Herring Prospectus.

### **Major events and milestones of our Company**

The table below sets forth some of the key events in the history of our Company:

<b>Year</b>	<b>Achievement</b>
2005	Incorporation of our Company 'Shiv Texchem Private Limited' as private limited company Started operation with sulphuric acid and caustic Achieved annual revenue of ₹ 1,000.00 lakhs
2014	Achieved annual revenue of ₹ 5,000.00 lakhs Consolidated position in sulphuric acid and caustic
2019	Achieved annual revenue of ₹ 20,000.00 lakhs Added new product viz., Phenol Received "Best Dealer" award from Grasim Limited
2022	Product portfolio crossed 20 products
2023	Achieved annual revenue of ₹ 1,00,000.00 lakhs
2024	Conversion of our Company from Private Limited to Public Limited Company Achieved annual revenue of ₹ 1,50,000.00 lakhs with portfolio of 39 products Expanded our presence in India Our Company undertook a bonus issue and allotted Equity Shares in the ratio 7:1 to our current shareholders

### **Awards and Accreditations**

The following are the key awards, accreditations and recognition received by our Company:

<b>Year</b>	<b>Achievement</b>
2022	Recipient of the 'Superstar of the Year' Grasim Award at the Lakshya Channel Partners Meet

### **Significant financial and strategic partnerships**

As of the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partnerships.

**Launch of key products or services, entry into new geographies or exit from existing markets**

For details of key services launched by our Company, entry into new geographies or exit from existing markets, see “*Our Business*” on page 111 of this Draft Red Herring Prospectus.

**Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks**

There have been no instances of rescheduling/ restructuring of borrowings with financial institutions/ banks in respect of our current borrowings from lenders.

**Agreements with Key Managerial Personnel, Senior Management, Director or any other employee**

Except as disclosed in “*Our Management- Payment or Benefit to Key Managerial Personnel* ” - on page 142 of this Draft Red Herring Prospectus on the date of this Draft Red Herring Prospectus, there are no agreements entered into by our Key Managerial Personnel, members of Senior Management or Directors or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

**Key terms of other subsisting material agreements**

Our Company has not entered into any other subsisting material agreements other than in the ordinary course of business of our Company.

**Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. since its incorporation**

Our Company has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. since its incorporation.

**Holding company**

As of the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

**Our Subsidiaries**

As on date of this Draft Red Herring Prospectus, our Company does not have any other Subsidiaries.

## OUR MANAGEMENT

### Board of Directors

In accordance with our Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As of the date of this Draft Red Herring Prospectus, we have seven Directors on our Board comprising one Managing Director, three Whole-time Directors, and three Independent Directors.

The following table sets forth details regarding our Board as of the date of this Draft Red Herring Prospectus:

Sr. No.	Name, DIN, Designation, Address, Occupation, Date of Birth, Period of Directorship	Age (Years)	Other Directorships
1.	<p>Vikas Pavankumar</p> <p><b>DIN:</b> 00323118</p> <p><b>Designation:</b> Chairman and Managing Director</p> <p><b>Address:</b> 49/B, Bhagirathi, Nehru Road, Vile Parle East, Mumbai - - 400 057, Maharashtra</p> <p><b>Occupation:</b> Business</p> <p><b>Term:</b> July 08, 2024, to July 07, 2029</p> <p><b>Period of Directorship:</b> 5 years, liable for retirement by rotation</p> <p><b>Date of Birth:</b> September 03, 1986</p>	37	<p><i>Indian Companies:</i></p> <ol style="list-style-type: none"> <li>1. Pavankumar Sanwaria Realty Private Limited</li> <li>2. Shree Bombay Cotton Mills Estate Private Limited</li> <li>3. Mack Trading Company Limited</li> <li>4. Multifilms Plastics Private Limited</li> <li>5. Computer Point Education Ltd.</li> <li>6. Mahal Plastics and Fibres Private Limited</li> <li>7. Amogh Energy Private Limited</li> <li>8. Miraj Commercial and Trading Pvt Ltd</li> <li>9. Murarka Investrade Private Limited</li> <li>10. N And N Systems and Software Private Limited</li> </ol> <p><i>Foreign Companies:</i></p> <p>Nil</p>
2.	<p>Hemanshu S. Chokhani</p> <p><b>DIN:</b> 00217029</p> <p><b>Designation:</b> Whole Time Director and Chief Financial Officer</p> <p><b>Address:</b> 2<sup>nd</sup> Floor Flat No. 202, Dev Shakti Building, Asha Parekh Hospital, Tilak Road,, , Santacruz (West), Mumbai – 400 054, Maharashtra</p> <p><b>Occupation:</b> Business</p> <p><b>Term:</b> July 08, 2024, to July 07, 2029</p> <p><b>Period of Directorship:</b> 5 years, liable for retirement by rotation</p>	38	Nil

Sr. No.	Name, DIN, Designation, Address, Occupation, Date of Birth, Period of Directorship	Age (Years)	Other Directorships
	<b>Date of Birth:</b> January 16, 1986		
3	Shyamsundar Chokhani  <b>DIN:</b> 00216976 <b>Designation:</b> Whole-Time Director <b>Address:</b> 2 <sup>nd</sup> Floor, Flat No. 202, Dev Shakti Building, Asha Parekh Hospital, Tilak Road, Santacruz (West), Mumbai – 400 054, Maharashtra <b>Occupation:</b> Business <b>Term:</b> July 08, 2024, to July 07, 2029 <b>Period of Directorship:</b> 5 years, not liable for retirement by rotation <b>Date of Birth:</b> March 03, 1948	76	<i>Indian Companies</i>  1. Hemanshu Syntex Private Limited  <i>Foreign Companies</i>  Nil
4.	Neha Hemanshu Chokhani  <b>DIN:</b> 09157624 <b>Designation:</b> Whole Time Director <b>Address:</b> 201 Dev Shakti Building, Tilak Road, Santacruz (West), Mumbai – 4000 054, Maharashtra <b>Occupation:</b> Business <b>Term:</b> July 08, 2024 to July 07, 2029 <b>Period of Directorship:</b> 5 years, liable for retirement by rotation <b>Date of Birth:</b> December 15, 1991	32	Nil
5.	Girdhari Lal Kundalwal  <b>DIN:</b> 10124589 <b>Designation:</b> Independent Director <b>Address:</b> A 1402 Aditya Premie, Opp Samvaad Samnavay, Behind Lubi Corporate Office, Vesnodevi Zundal Underpass, Ahmedabad – 382 470, Gujarat <b>Occupation:</b> Professional <b>Term:</b> July 08, 2024, to July 07, 2029 <b>Period of Directorship:</b> 5 years	62	<i>Indian Companies</i>  1. Eightyeight Pictures Media and Entertainment Private Limited 2. Amrut Dredging and Shipping Limited 3. Ganesh Benzoplast Limited  <i>Foreign Companies</i>  Nil

Sr. No.	Name, DIN, Designation, Address, Occupation, Date of Birth, Period of Directorship	Age (Years)	Other Directorships
	<b>Date of Birth:</b> October 05, 1961		
6.	Sushil Kumar Relan  <b>DIN:</b> 10356424 <b>Designation:</b> Independent Director <b>Address:</b> A-401, Gardenia, Lodha New Cuffe Parade, Sevri Chembur Road, Wadala Truck Terminal, Wadala East, Mumbai - 400 037, Maharashtra <b>Occupation:</b> Professional <b>Term:</b> July 08, 2024, to July 07, 2029 <b>Period of Directorship:</b> 5 years <b>Date of Birth:</b> October 08, 1962	62	<i>Indian Companies</i>  1. Elite Store India Private Limited 2. Pratyancha Financial Services Limited  <i>Foreign Companies</i>  Nil
7.	Rajen Hemchand Gada  <b>DIN:</b> 01642360 <b>Designation:</b> Independent Director <b>Address:</b> 701, Krishna Kunj, Plot No. 49, RD No. 9, Bramhanwada, Matunga (CR), Mumbai – 400 019, Maharashtra <b>Occupation:</b> Professional <b>Term:</b> July 08, 2024, to July 07, 2029 <b>Period of Directorship:</b> 5 years <b>Date of Birth:</b> December 20, 1973	50	<i>Indian Companies</i>  1. Shemaroo Entertainment Limited 2. Turn2peer Fintech Private Limited 3. Infineon Capital Advisors Private Limited (formerly known as Dhannish Advisors Private Limited)  <i>Foreign Companies</i>  Nil

#### Relationships between our directors

Sr. No.	Director 1	Director 2	Relation
1.	Hemanshu S. Chokhani	Neha Hemanshu Chokhani	Husband
2.	Shyamsundar Chokhani	Hemanshu S. Chokhani	Father
3.	Shyamsundar Chokhani	Neha Hemanshu Chokhani	Father-in-law

#### Brief profile of our directors

**Vikas Pavankumar** is the Managing Director and Chairman of our Company. He has been associated with our Company since April 14, 2021, and was appointed to his current designation pursuant to Board meeting dated July 08, 2024. He obtained his bachelor's degree in science in Industrial Engineering from Purdue University in the year 2009 and completed his graduation programme in Management from the Indian School of Business in the year 2014. Further, he was employed as a Senior Associate with the India Office of the Boston Consulting Group in the year 2014. He currently oversees the sales & marketing operations, business development and human resources in the Company. He has been instrumental in developing the business in the international as well as

domestic markets.

**Hemanshu S. Chokhani** is the Whole Time Director and Chief Financial Officer of our Company. He has been associated with our Company since 19 years and was appointed to his current designation pursuant to Board meeting dated July 08, 2024. He obtained a certification in the Professional Education Examination-I held by the Institute of Chartered Accountants of India in 2005 with an All-India rank of 14 and has been awarded Ganeshmai Patni Memorial Prize for the best paper on Statistics jointly with 58 candidates by the Institute of Chartered Accountants of India in 2005. He completed his final examination in 2009 with an All-India rank of 36. Further, he obtained his Post-Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad in the year 2011. Previously he has worked as a Senior Consultant in Booz & Co. India Private Limited. His professional caliber and acumen ship has been helping Company in a competitive procurement of products and availing trade finance apart from his involvement in accounts, audit, taxation, and other statutory compliances in the Company.

**Shyamsundar Chokhani** is the Whole-Time Director of our Company. He has been associated with our Company since 19 years and was appointed to his current designation pursuant to Board meeting dated July 08, 2024. He obtained his master's degree of technology in Mechanical Engineering from the Indian Institute of Technology, Bombay in the year 1973 and has completed a Middle Management Course of the 3-Tier Programme for Management Development held by the Indian Institute of Management in the year 1973. He has been guiding force behind the success of the Company and currently looks after logistics including inbound logistics, vessel chartering, local logistics and domestic banking in the Company.

**Neha Hemanshu Chokhani** is the Whole Time Director of our Company. She has been associated with our Company since April 14, 2021, and was appointed to his current designation pursuant to Board meeting dated July 08, 2024. She obtained her bachelor's degree in commerce from the University of Mumbai in the year 2012 and was placed in the first class. She obtained a certification in Integrated Professional Competence Examination held by the Institute of Chartered Accountants of India in the year 2012. She oversees inventory & warehousing, clearance management, custom clearance and custom compliance related matters in the Company.

**Girdhari Lal Kundalwal** is an Independent Director of our Company and was appointed to this designation pursuant to Board meeting dated July 08, 2024. He obtained his master's degree in commerce (Accountancy and Business Statistics) in the year 1985, and a certification in the Associate Examination of the Indian Institute of Bankers in the year 1989 and his master's degree in business administration (Banking & Finance) in the year 2002 from Indira Gandhi National Open University. He has worked with the Union Bank of India for 38 years, from 1983 up until 2021, and retired as a Deputy General Manager.

**Sushil Kumar Relan** is an Independent Director of our Company and was appointed to this designation pursuant to Board meeting dated July 08, 2024. He obtained his Master's in Arts (Economics) from Meerut University in 1986. He has worked in the State Bank of India from the year 1982, up to 2022 and retired from the position of Deputy General Manager and worked in Nido Home Finance Limited from 2022 to 2023 as a SVP – Internal Audit in the Internal Audit team in Mumbai.

**Rajen Gada** is an Independent Director of our Company and was appointed to this designation pursuant to Board meeting dated July 2024. He obtained his bachelor's degree in commerce from the University of Bombay in 1994, his Chartered Accountancy Degree from the Institute of Chartered Accountants of India in the year 1998, his Graduation Degree as a Cost Accountant from the Institute of Cost Works Accountants of India in the year 1999, and his Limited Insolvency Examination Certificate from the Insolvency and Bankruptcy Board of India in 2017. He as previously worked as the Chief Financial Officer in BCD Travel India Pvt. Ltd

#### **Terms of Appointment of our Managing Director and Whole Time Directors**

##### **Vikas Pavankumar**

Vikas Pavankumar, our Managing Director and Chairman has been appointed to his designation under the following terms:

- i. The remuneration paid, would amount up to ₹ 5,00,000 per month
- ii. The term would be for a period of 5 years, from July 08, 2024, to July 08, 2029

- iii. The office would not be liable for retirement by rotation with power to the Board to alter and vary the terms and conditions as it may deem fit and as may be acceptable by the Director
- iv. Designated as the Chairperson of the company w.e.f. July 08,2024

**Hemanshu S. Chokhani**

**Hemanshu S. Chokhani, our Whole time Director has been appointed to his designation under the following terms:**

- i. The remuneration paid, would amount up to ₹ 5,00,000 per month
- ii. The term would be for a period of 5 years, from July 08, 2024, to July 08, 2029
- iii. The office would be liable for retirement by rotation with power to the Board to alter and vary the terms and conditions as it may deem fit and as may be acceptable by the Director

**Shyamsundar Chokhani**

**Shyamsundar Chokhani , our Whole time Director has been appointed to his designation under the following terms:**

- i. The remuneration paid, would amount up to ₹ 5,00,000 per month
- ii. The term would be for a period of 5 years, from July 08, 2024, to July 08, 2029
- iii. The office would be liable for retirement by rotation with power to the Board to alter and vary the terms and conditions as it may deem fit and as may be acceptable by the Director

**Neha Hemanshu Chokhani**

**Neha Hemanshu Chokhani, our Whole time Director has been appointed to his designation under the following terms:**

- i. The remuneration paid, would amount up to ₹ 5,00,000 per month
- ii. The term would be for a period of 5 years, from July 08, 2024, to July 08, 2029
- iii. The office would be liable for retirement by rotation with power to the Board to alter and vary the terms and conditions as it may deem fit and as may be acceptable by the Director

**Commission and sitting fees payable to the Independent Directors**

Pursuant to appointment letters dated July 08, 2024 issued to each of our Independent Directors; and a resolution passed by our Board on July 08, 2024 and a special resolution of our Shareholders passed at their meeting held on July 10, 2024, the terms of appointment of our Independent Directors are:

- i. Remuneration/sitting fees ₹7,500 per meeting of would be paid
- ii. The term would be for a period of 5 years, from July 08, 2024, to July 08, 2029

**Payment or Benefit to Directors**

Details of the remuneration paid to the Directors by our Company in last two fiscal years and current fiscal are disclosed below:

*1. Compensation paid to Managing Director and Whole Time Directors in last two years*

*April 01, 2022 to March 31, 2023*

<b>Name of our Director</b>	<b>Designation</b>	<b>Compensation paid (in ₹)</b>
Vikas Pavankumar	Managing Director	24,00,000
Hemanshu S. Chokhani	Whole Time Director	24,00,000
Shyamsundar Chokhani	Whole Time Director	24,00,000
Neha Hemanshu Chokhani	Whole Time Director	24,00,000



April 01, 2023 to March 31, 2024

Name of our Director	Designation	Compensation paid (in ₹)
Vikas Pavankumar	Managing Director	24,00,000
Hemanshu S. Chokhani	Whole Time Director	24,00,000
Shyamsundar Chokhani	Whole Time Director	24,00,000
Neha Hemanshu Chokhani	Whole Time Director	24,00,000

Additionally, our Directors will be provided with the following perquisites:

- (i) Furnished House Accommodation or house rent allowance in lieu thereof, reimbursement of expenses of gas, electricity, water, furnishing and repairs, society maintenance charges for residence, medical reimbursement, leave encashment in accordance with the rules of the Company, Perquisites shall be evaluated as per Income Tax Rules, wherever applicable, and in the absence of any such rule, perquisites shall be evaluated at actual cost.
- (ii) Gratuity payable at a rate not exceeding half month's salary for each completed year of service, and encashment of leave at the end of the tenure, shall not be included in the computation of limits for perquisites.

## 2. Compensation paid to our Independent Directors

Pursuant to a resolution passed by our Board on July 9, 2024, our Independent Directors are entitled to receive the following sitting fees for attending the meetings of our Board or committees thereof, which have been constituted in terms of the and the Companies Act

Type of Meeting	Sitting fee for attending each meeting (in ₹)
Board meeting	7,500
Audit Committee meeting	7,500
Nomination and Remuneration Committee meeting	7,500
Stakeholders' Relationship Committee meeting	7,500
Corporate Social Responsibility Committee meeting	7,500

Our Independent Directors were appointed in Fiscal 2025, and accordingly no sitting fees or commission or remuneration was paid by our Company to our Independent Directors for Fiscal 2024 and Fiscal 2023.

## Contingent and deferred compensation payable to Directors

No contingent or deferred compensation was accrued or payable to any of our Directors for Fiscal 2024.

## Remuneration paid to our Directors by our Subsidiaries

As on the date of this Draft Red Herring Prospectus, we do not have any subsidiaries

## Shareholding of our Directors in our Company

None of our Directors hold or are required to hold any qualification shares.

For details of the shareholding of our Directors in our Company, see "Capital Structure –Shareholding of our Directors, Key Managerial Personnel" in our Company on page 69

## Arrangement or Understanding with Major Shareholders, Customers, Suppliers or Others

None of our Directors have been appointed pursuant to any arrangement or understanding with major Shareholders, customers, suppliers or others.

## Interest of Directors

1. All Directors may be deemed to be interested to the extent of (i) sitting fees, if any, payable to them for attending meetings of our Board and committees and other remuneration or benefits, if any, to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business by our Company, (ii) transactions entered into in the ordinary course of business with companies in which our Directors hold directorship, and (iii) their directorship on the board of directors of, and/or their shareholding in our Company.
2. Our Company has not entered into any service contracts with our Directors providing for benefits upon termination of their employment.
3. Except as disclosed in this Chapter and in the Chapter “*Promoter and Promoter Group*,” on page 143, none of our directors have any interest in the promotion or formation of our Company.
4. None of our Directors are a party to any bonus or profit-sharing plan by our Company.
5. Our Directors are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Directors or to such firm or company in cash or shares or otherwise by any person either to induce them to become, or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.
6. None of our Directors have any interest in any property acquired in the three years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery, etc.

## Confirmations

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of this Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

Our Managing Director, Vikas Pavankumar being director in a company name Mack Trading Company Limited, which had undergone voluntary delisting in the year 2018.

None of our Directors have been declared as willful defaulters or fraudulent borrowers.

No proceedings/investigations have been initiated by SEBI against company, the board of directors of which also comprise any of the Directors of our Company.

## Changes in the Board during the last three years

Sr. No.	Name	Effective Date of Appointment / Change in Designation / Cessation	Particulars
1.	Vikas Pavankumar	July 08, 2024	Change in designation to Managing Director and Chairman
2.	Hemanshu S. Chokhani	July 08, 2024	Change in designation to Whole Time Director
3	Shyamsundar Chokhani	July 08, 2024	Change in designation to Whole Time Director
4	Neha Hemanshu Chokhani	July 08, 2024	Change in designation to Whole Time Director
5	Girdhari Lal Kundalwal	July 08, 2024	Appointment as Additional Independent Director
6	Sushil Kumar Relan	July 08, 2024	Appointment as Additional Independent

Sr. No.	Name	Effective Date of Appointment / Change in Designation / Cessation	Particulars
7	Rajen Gada	July 08, 2024	Director Appointment as Additional Independent Director

### Borrowing powers of our Board

In accordance with our Articles of Association and pursuant to a resolution of the Board dated July 09, 2024 and a special resolution of our Shareholders passed at their meeting dated July 10, 2024, the Board of Directors has been authorized to borrow any sum or sums of money from time to time, which together with the money already borrowed by our Company, may exceed aggregate of its paid-up capital, free reserves and securities premium, apart from temporary loans obtained from our Company's bankers in the ordinary course of business, provided however, the total amount so borrowed shall not exceed ₹ 2,00,000 lakhs.

### Corporate Governance

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations (as applicable to equity listed companies), the Companies Act and the SEBI ICDR Regulations, as well as the applicable requirements prescribed by the RBI, in respect of corporate governance, including in relation to the constitution of our Board and committees thereof.

### Committees of the Board

#### AUDIT COMMITTEE

The Audit Committee is composed of:

Sr. No.	Name of Director	Designation
1.	Sushil Kumar Relan	Chairperson
2.	Girdhari Lal Kundalwal	Member
3.	Neha Hemanshu Chokhani	Member

#### The scope of Audit Committee shall include but shall not be restricted to the following:

1. Oversight the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
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 before submission to the board for approval, with particular reference to:
  - a. Matters required being included in the Directors Responsibility Statement to be included in the Board 's report in terms of clause (c) of sub-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. Qualifications 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 Issue document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor 's independence and performance and effectiveness of the audit process.
  8. Approval of any transactions of the Company with Related Parties, including any subsequent modification thereof.
  9. Scrutiny of inter-corporate loans and investments.
  10. Valuation of undertakings or assets of the Company, 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 on any significant findings and follow up thereon.
  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 nonpayment of declared dividends) and creditors.
  18. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
  19. Approval of appointment of Chief Financial officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
  20. Carrying out any other function as it mentioned in the terms of reference of the Audit Committee.

## **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee is composed of:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Designation</b>
1.	Sushil Kumar Relan	Chairperson
2.	Girdhari Lal Kundalwal	Member
3.	Rajen Gada	Member

**The role of the Nomination and Remuneration Committee includes, but not restricted to, the following:**

The terms of reference of the Nomination and Remuneration Committee as per Regulation 19 and Part D of Schedule II of SEBI Listing Regulations and Companies Act, 2013 shall be as under:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
2. for the appointment of an independent director, the committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the board of directors of the Company for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. Consider the time commitments of the candidates.
3. formulation of criteria for evaluation of the performance of independent directors and the Board;

4. devising a policy on diversity of our Board;
5. identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance;
6. determining 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;
7. recommending remuneration of executive directors and any increase therein from time to time within the limit approved by the members of our Company;
8. recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;
9. recommending to the Board, all remuneration, in whatever form, payable to senior management;
10. performing such functions as are required to be performed by the compensation committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;
11. engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;
12. analyzing, monitoring and reviewing various human resource and compensation matters;
13. reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
14. framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - a. The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or
  - b. The SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market Regulations, 2003, as amended;

Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, Companies Act, each as amended or other applicable law.

The committee shall meet as and when the need arises, subject to at least one meeting in a year. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Any members of this committee may be removed or replaced any time by the board, any member of this committee ceasing to be a director shall be ceased to be a member of this committee.

#### **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Stakeholders' Relationship Committee.

The Stakeholders' Relationship Committee is composed of:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Designation</b>
1.	Sushil Kumar Relan	Chairperson
2.	Vikas Pavankumar	Member
3.	Neha Hemanshu Chokhani	Member

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and the terms of reference, powers and scope of the

Stakeholders' Relationship Committee of our Company include:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipts of annual reports, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
2. Review of measures taken for effective exercise of voting rights of by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipts of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company; and
5. Carrying out any other function as prescribed under the SEBI Listing Regulations as and when amended from time to time. As required under the SEBI Listing Regulations, the Stakeholders Relationship Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the security holders. The quorum of the meeting shall be either two members or one third of the members of the committee whichever is greater.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE.**

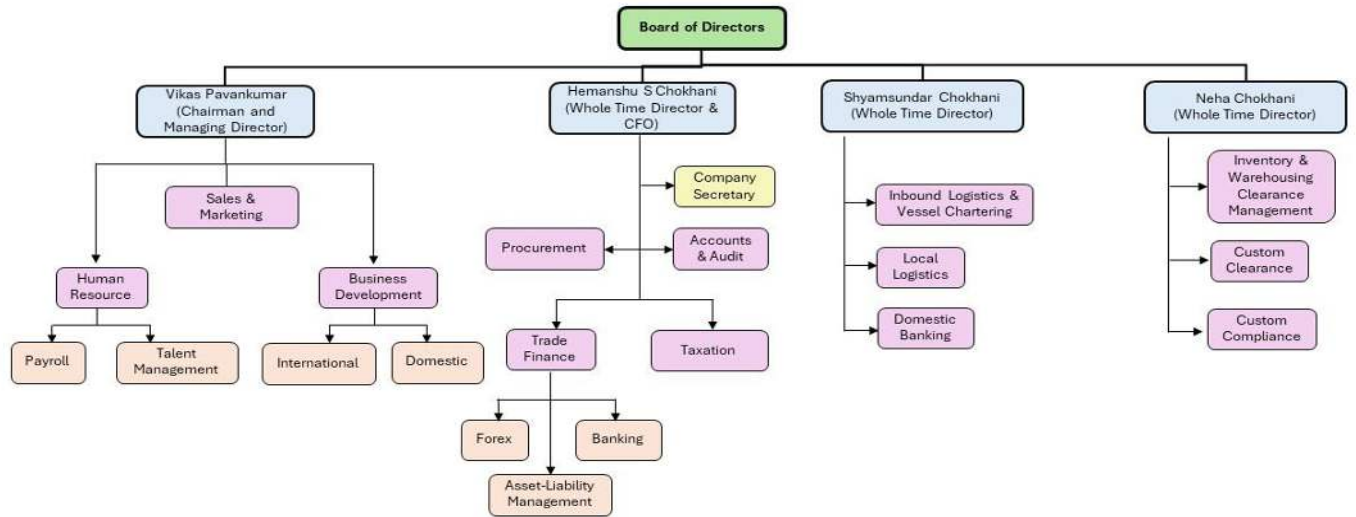
The Corporate Social Responsibility Committee is composed of:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Designation</b>
1.	Girdhari Lal Kundalwal	Chairperson
2.	Vikas Pavankumar	Member
3.	Shyamsundar Chokhani	Member

**The scope of Corporate Social Responsibility Committee shall include but shall not be restricted to the following:**

1. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
3. To monitor the CSR policy of the Company from time to time; and
4. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

## Management Organization Chart



### **Key Managerial Personnel of our Company**

In addition to Vikas Pavankumar, our Managing Director, Hemanshu S. Chokhani, our Wholetime Director and Chief Financial Officer, Shyamsundar Chokhani, our Whole Time Director, Neha Hemanshu Chokhani, our Whole Time Director, whose details are provided in “*Brief Profiles of our Directors*” on page 131 of this Draft Red Herring Prospectus, the details of our Key Managerial Personnel are set out below:

Dinky Jain is the Company Secretary and Compliance Officer of our Company. She was appointed to her current designation pursuant to Board meeting dated July 08, 2024. She was admitted as an Associate Member in the Institute of Company Secretaries of India in 2019 and was enrolled in the Bachelor’s in Commerce Degree from the R. A. Podar College of Commerce & Economics. She has previously worked as a Company Secretary in S J Logistic (India) Limited in 2023, and Pittie Distributers India Private Limited in 2021. She worked as an independent consultant at Festicket Ltd, a Company incorporated in England and Wales in 2022, and in Innovate Energy Solutions Limited in 2020.

### **Senior Management Personnel of our Company**

As on date of this Draft Red Herring Prospectus, we do not have any designated Senior Management Personnel.

### **Status of Key Managerial Personnel**

All Key Managerial Personnel are permanent employees of our Company.

### **Relationship between our Key Managerial Personnel, and Directors**

Our Chief Financial Officer is related to some of our directors as disclosed in “*Relationships between our directors*” on page 131 of this Draft Red Herring Prospectus

### **Shareholding of Key Managerial Personnel in our Company**

For details of the shareholding of our Key Managerial Personnel, see “*Capital Structure–Shareholding of our Directors, Key Managerial Personnel*” on page 69.

### **Bonus or Profit-Sharing Plan of our Key Managerial Personnel**

None of our Key Managerial Personnel is a party to any profit-sharing plan by our Company.

### **Arrangement or Understanding with Major Shareholders, Customers, Suppliers or Others**

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel were selected as members of our management.

### **Interest of Key Managerial Personnel**

Except as disclosed in “*Interest of Directors*” on page 135 our Key Managerial Personnel do not have any interests in our Company, other than to the extent of (i) the remuneration or incentives, if any, to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business by our Company and (ii) their directorship on the board of directors of, and/or their shareholding in our Company, as applicable and any dividend payable to them and other benefits arising out of such shareholding.

None of our Key Managerial Personnel have been paid any consideration of any nature by our Company other than remuneration in the ordinary course of their employment.

No deferred or contingent compensation was accrued or payable to any of our Key Managerial Personnel in Fiscal 2024.



### Changes in the Key Managerial Personnel and during the last three years

Other than as disclosed in “-Changes in the Board in the last three years” on page 135, the changes in the Key Managerial Personnel in the preceding three years are as follows:

Sr. No.	Name	Effective Date of Appointment / Change in Designation / Cessation	Particulars
1.	Dinky Jain	July 08, 2024	Appointment as Company Secretary and Compliance Officer

### Payment or Benefit to Key Managerial Personnel

No amount or benefit has been paid or given within two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given to any officers of our Company, including our Key Managerial Personnel, other than normal remuneration, for services rendered as officers of our Company, and as disclosed in “Other Financial Information –Related Party Transactions”, on page 27.

Other than statutory benefits upon termination of employment, our Company has not entered into any service contracts with our Key Managerial Personnel/ Senior Management providing for benefits upon termination of their employment, other than as disclosed below:

- (i) Furnished House Accommodation or house rent allowance in lieu thereof, reimbursement of expenses of gas, electricity, water, furnishing and repairs, society maintenance charges for residence, medical reimbursement, leave encashment in accordance with the rules of the Company, Perquisites shall be evaluated as per Income Tax Rules, wherever applicable, and in the absence of any such rule, perquisites shall be evaluated at actual cost.
- (ii) Gratuity payable at a rate not exceeding half month’s salary for each completed year of service, and encashment of leave at the end of the tenure, shall not be included in the computation of limits for perquisites.

### Employee stock option and stock purchase schemes

Our Company has not formulated any employee stock option and stock purchase scheme as of the date of this Draft Red Herring Prospectus.

## OUR PROMOTER AND PROMOTER GROUP

### Our Promoter

The Promoters of our Company are Vikas Pavankumar, Hemanshu S. Chokhani, Pavankumar Realty Private Limited. and Hemanshu Syntex Private Limited. As on the date of this Draft Red Herring Prospectus, our Promoter's collective hold 91,99,960 Equity Shares, representing 53.91 % of the Pre-Issue Paid-up Equity Share Capital, on a fully diluted basis. For details on the shareholding of our Promoters and members of the Promoter Group in our Company and the build-up of the Promoter's shareholding in our Company, please see, see "Capital Structure", on page 64 of this Draft Red Herring Prospectus.

### Details of our Promoters are as follows:

#### Individual Promoters



#### Vikas Pavankumar

Vikas Pavankumar born on September 3, 1986, aged 37 is a citizen of India. He resides at Bhagirathi, 49 B Nehru Road, Vile Parle (East), Mumbai – 400057.

**Permanent Account Number:** ALQPP8021P

#### Other Ventures, Education and Experience

For further details relating to Vikas Pavankumar, please refer to the chapter titled "Our Management – Board of Directors" on page 129 of this Draft Red Herring Prospectus.

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Our Company confirms that the Permanent Account Number, Bank Account Number, Passport Number, Aadhar Card number and Driving License number of Vikas Pavankumar shall be submitted to the BSE at the time of filing of this Draft Red Herring Prospectus.



#### Hemanshu S. Chokhani

Hemanshu S. Chokhani born on January 16, 1986, aged 38 is a citizen of India. He resides at 2<sup>nd</sup> Floor, Flat No. 202, Dev Shakti Building, Asha Parekh Hospital, Tilak Road, Santa Cruz (West), Mumbai – 400 054, Maharashtra.

**Permanent Account Number:** AFGPC2503P

#### Other Ventures, Education and Experience

For further details relating to Hemanshu S. Chokhani, please refer to the chapter titled "Our Management – Board of Directors" on page 129 of this Draft Red Herring Prospectus.

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Our Company confirms that the Permanent Account Number, Bank Account Number, Passport Number, Aadhar Card number and Driving License number of Hemanshu S. Chokhani shall be submitted to the BSE at the time of filing of this Draft Red Herring Prospectus.

### Experience of our Promoters in the business of our Company

Our Individual Promoters have the requisite experience in the business of our Company. For details in relation to experience of our Promoter in the business of our Company, please refer to the chapter titled "Our Management – Board of Directors" on page 129 of this Draft Red Herring Prospectus.

## **Corporate Promoters**

### **1. Pavankumar Sanwaria Realty Private Limited (“PSRPL”)**

#### *Corporate Information*

Pavankumar Sanwaria Realty Private Limited, was incorporated on September 21, 1981, in the name of Zillion Investment Company Limited having CIN U65990GJ1981PTC108644. Subsequently, our Company was converted into a private limited company and a fresh certificate of incorporation consequent upon conversion dated July 15, 2021, was issued by the Registrar of Companies, Ahmedabad. The Registered Office of PSRPL is situated at Office No. 118 First Floor, Madhav Square Building Opp. Cricket Bunglow, Limda Lane Corner, Jamnagar, Jamnagar, Gujarat, India, 361001.

Our Corporate Promoter is authorized under its constitutional documents, inter alia, to carry on business of purchase or acquire by any mode any land, plot(s) of land or any other immovable property or any right or interest therein either singly or jointly or in Partnership with any person(s) or Body corporate or partnership Firm and to develop and construct thereon residential, commercial complex or complex(es) either single or jointly or in partnership as aforesaid, comprising offices for sale or self-use or for earning rental income thereon by letting out or by sub-letting individual units comprised in such building(s) or any other immovable property.

The Corporate Promoter have three subsidiaries namely:

1. Mack Trading Company Limited
2. Mahal Plastics and Fibers Private Limited
3. N and N Systems and Software Private Limited

#### *Board of Directors*

As on the date of this Draft Red Herring Prospectus, the board of directors of the Company comprises

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Designation</b>
1	Vikas Pavankumar	Director
2	Rita Pavankumar	Director
3	Vidhi Vikas Pavankumar	Director

#### *Shareholding Pattern as on March 31, 2024*

<b>Sr. No.</b>	<b>Particulars</b>	<b>Percentage of Shareholding (%)</b>
1	Vikas Pavankumar	39.00
2	Rita Pavankumar	34.00
3	Mack Trading Company Limited	12.00
4	Sanwarmal Pavakumar HUF	9.00
5	Vidhi Vikas Pavankumar	6.00
6	Dinesh Dhanuka	Negligible
7	Archana Shinde	Negligible

#### *Details of change in control Pavankumar Sanwaria Realty Private Limited.*

There has been no change in control of the Corporate Promoter in the last three years preceding the date of this Draft Red Herring Prospectus.

Our Company confirms that the permanent account number, bank account number, company registration number and the address of the registrar of companies where the Company is registered, shall be submitted to the BSE at the time of filing this Draft Red Herring Prospectus

## 2. Hemanshu Syntex Private Limited

### *Corporate Information*

Hemanshu Syntex Private Limited. was incorporated on June 9, 1987 pursuant to Certificate of Incorporation issued by Registrar of Companies, Maharashtra having CIN U17110MH1987PTC043699 and Registered Office at Kamla Space, Unit No.216, 2nd Floor, Khira Nagar TPS III, S.V.Road, Santacruz, (West), Mumbai City, Mumbai, Maharashtra, India, 400054.

Our Corporate Promoter is authorized under its constitutional documents, inter alia, to carry on business of manufacture, weave, spin produce, process, dye, print, calendar, wash, purify, bleach, import, and otherwise deal In fancy yarn, textile, synthetic, cotton, silk, rayon, manmade fabrics, woolen, yarn, threads, garments made up hosiery, canvas fabrics, H.D.P., woven sacks, coated and treated with any chemicals or any other preparation, water proof cloth, imitation cloth and carpets.

### *Board of Directors*

As on the date of this Draft Red Herring Prospectus, the board of directors of the Company comprises

Sr. No.	Name of Director	Designation
1	Manjudevi Shyamsundar Chokhani	Director
2	Shyamsundar Chokhani	Director

### *Shareholding Pattern as on March 31, 2024*

Sr. No.	Particulars	Percentage of Shareholding (%)
1	Hemanshu S. Chokhani	45.30
2	Shyamsundar Chokhani HUF	41.03
3	Manjudevi Shyamsundar Chokhani	12.82
4	Shyamsundar Chokhani	0.85

### *Details of change in control of Hemanshu Syntex Private Limited*

There has been no change in control of the Corporate Promoter in the last three years preceding the date of this Draft Red Herring Prospectus.

Our Company confirms that the permanent account number, bank account number, company registration number and the address of the registrar of companies where the Company is registered, shall be submitted to the BSE at the time of filing this Draft Red Herring Prospectus

### **Change in control of our Company**

There has not been any change in control of our Company in the last five years preceding the date of this Draft Red Herring Prospectus

### **Interest in property, land, construction of building and supply of machinery**

Our Promoter has no interest, whether direct or indirect, in any property acquired by our Company within the preceding three years from the date of the Draft Red Herring Prospectus or proposed to be acquired by it, or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery.

### **Interest of our Promoters**

Our Promoter is interested in our Company to the extent of: (i) having promoted our Company; and (ii) their

shareholding and the shareholding of their relatives in our Company and the dividend payable, if any, and other distributions in respect of the Equity Shares held by him or their relatives. For further details, see “*Capital Structure*”, “*Our Management*”, “*Summary of the Draft Red Herring Prospectus - Related Party Transactions*” and “*Financial Information*” on page 64, 129, 24 and 150 respectively of this Draft Red Herring Prospectus.

Except as stated in “*Summary of the Draft Red Herring Prospectus - Related Party Transactions*” on page 24 of this Draft Red Herring Prospectus and disclosed in “*Our Management*” on page 129 of this Draft Red Herring Prospectus, there has been no payment of any amount or benefit given to our Promoters or Promoter Group as on the date of filing of this Draft Red Herring Prospectus nor is there any intention to pay any amount or give any benefit to our Promoters or Promoter Group as on the date of filing of this Draft Red Herring Prospectus.

No sum has been paid or agreed to be paid to our Promoter or to the firms or companies in which our Promoter is interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoter or by such firms or companies in connection with the promotion or formation of our Company.

#### **Payment or benefits to our Promoter and Promoter Group during the last one year**

Except as stated in this chapter and in the chapter titled “*Restated Financial Information - Related Party Transactions*” there has been no payment of any amount of benefits to our Promoter or the members of our Promoter Group during the last two years from the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoter or Promoter group as on the date of this this Draft Red Herring Prospectus. For further details, please refer to the chapter titled “*Restated Financial Information - Related Party Transactions*” on page 175 of this Draft Red Herring Prospectus.

#### **Companies or firms with which our Promoter has disassociated in the last three years**

Our Promoter has not disassociated himself from any companies or firms during the three years preceding the date of filing of this Draft Red Herring Prospectus.

#### **Litigation involving our Promoter**

Except as disclosed in the chapter “*Outstanding Litigation and Material Developments*” on page 195 as on the date of this Draft Red Herring Prospectus, there are no litigation involving our Promoter.

#### **Confirmations**

Our Promoter has not been declared as Wilful Defaulters or Fraudulent Borrowers.

Our Promoter and members of our Promoter Group have not been debarred from accessing the capital market for any reasons by SEBI or any other regulatory or governmental authorities.

Our Promoter is not promoter or director of any other Company which is debarred from accessing capital markets.

No material guarantees have been given to third parties by our Promoter with respect to Equity Shares of our Company.

Our Promoter is not interested in any other entity which holds any intellectual property rights that are used by our Company.

#### **Promoter Group**

Persons constituting the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations except the Promoter as set out below:

1. *Individuals forming part of our Promoter Group:*

Sr. No.	Name of Promoter	Name of the Promoter Group	Relationships
1.	Hemanshu S. Chokhani	Shyamsundar Chokhani	Father
2.		Manjudevi Shyamsundar Chokhani	Mother
3.		Neha Hemanshu Chokhani	Spouse
4.		Amishi Tainwala	Sister
5.		Swati Jalan	Sister
6.		Shashi Jain	Spouse's Mother
7.		Niru Jain	Spouse's Sister
8.		Chitra Jain	Spouse's Sister
1.	Vikas Pavankumar	Rita Pavankumar	Mother
2.		Vidhi Pavankumar	Spouse
3.		Vidhi Agarwal	Sister
4.		Radhya Pavankumar (Minor)	Daughter
5.		Ram Prakash Agarwal	Spouse's Father
6.		Kusum Agarwal	Spouse's Mother
7.		Vandit Agarwal	Spouse's Brother

2. *Companies, Firms, Entities and HUFs forming part of our Promoter Group:*

- a. *Amit Landcon Private Limited*
- b. *Jaipur Bio Tech Private Limited*
- c. *Microchem Remedies Private Limited*
- d. *Shalimar Buildcon Private Limited*
- e. *Amogh Energy Private Limited*
- f. *VNV Printlab Private Limited*
- g. *VRV Estates LLP*
- h. *Shree Bombay Cotton Mills Estate Private Limited*
- i. *Multifilms Plastics Private Limited*
- j. *Mack Trading Company Limited*
- k. *Mahal Plastics and Fibres Private Limited*
- l. *N and N Systems and Software Private Limited*
- m. *Shyamsundar Chokhani HUF*

3. *All persons whose shareholding is aggregated under the heading "shareholding of the promoter group"*

- a. *Karan Wilkhoo*

## OUR GROUP COMPANIES

The definition of “*Group Companies*” as per the SEBI ICDR Regulations, shall include such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards, and other companies as considered material by the Board.

In terms of the SEBI ICDR Regulations, pursuant to a resolution of our Board dated July 09, 2024, and the applicable accounting standards (Accounting Standard 18 and Indian Accounting Standard 24), for the purpose of identification of “group companies” in relation to the disclosure in Issue Documents, our Company has considered the companies with which there have been related party transactions in the last three years, as disclosed in the section titled “*Financial Information*” on page 150 of this Draft Red Herring Prospectus. As such, it is concluded that on the date of this Draft Red Herring Prospectus, we do not have any Group Companies.

### **Common pursuits**

Nil

### **Pending Litigation involving the group company which has a material impact on the issuer**

Nil

### **Nature and extent of interest of our Group Company**

Nil

### **Related business transactions and their significance on the financial performance of the issuer**

Nil

## DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on few numbers of factors, including but not limited, net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. As on the date of this Draft Red Herring Prospectus, our Company does not have a formal dividend policy.

Upon the listing of the Equity Shares of our Company and subject to the SEBI Listing Regulations, we may be required to formulate a dividend distribution policy which shall be required to include, among others, details of circumstances under which the shareholders may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend, policy as to how the retained earnings will be utilized and parameters that shall be adopted with regard to various classes of shares, as applicable.

Our Company has not declared any dividends during the last three financial years. Further, our Company has not declared any dividend in the current fiscal. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future. For details in relation to the risk involved, see *“Risk Factors- Our ability to pay dividends in the future will depend on a number of factors, including our profit after tax for the respective fiscal year, our capital requirements, our financial condition, our cash flows and applicable taxes, including payment of dividend distribution tax”* on page 41”.



**SECTION V: FINANCIAL INFORMATION**  
**RESTATED FINANCIAL INFORMATION**

## STATUTORY AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

To,  
**The Board of Directors,**  
**Shiv Texchem Limited**  
**(formerly known as Shiv Texchem Private Limited)**

Dear Sirs,

1. We have examined the attached Restated Financial Information of Shiv Texchem Limited (formerly known as Shiv Texchem Private Limited) (the "Company" or the "Issuer"), comprising the Restated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Statements of Profit and Loss and the Restated Cash Flow Statement for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, the Summary Statement of Significant Accounting Policies and other explanatory information (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 16<sup>th</sup> July, 2024 for the purpose of inclusion in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus (together the " Offer Documents " prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "**Act**");
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**"); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").
2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the DRHP to be filed with the Securities and Exchange Board of India, relevant stock exchange(s) and Registrar of Companies, Mumbai ("**RoC**") in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 25 to the Restated Financial Information. The Board of Directors of the Company responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.
3. We have examined such Restated Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated July 14, 2024 in connection with the proposed IPO of equity shares of the Issuer;
  - b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
  - d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
4. These Restated Financial Information have been compiled by the management from the Audited Financial Statements of the Company as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 prepared in accordance with Accounting Standards as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules, 2021, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on July 16, 2024.

5. For the purpose of our examination, we have relied on the Auditor's report issued by the us dated June 19, 2024, September 05, 2023 and September 07, 2022 on the financial statements of the company as at and for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 as referred in Paragraph 4 above;
6. The audit reports on the financial statements issued by us were modified and included following matter(s) giving rise to modifications on the financial statements as at and for the years ended March 31, 2023, and March 31, 2022;
  - i. *the Company has not provided for gratuity liabilities and leave salaries as same has not been ascertained, however it will be recognized on cash basis. The method adopted by company & disclosure made hereinabove are not in accordance with AS-15 (Revised) issued by The Institute of Chartered Accountants of India.*
7. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:
  - a) Have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/ reclassifications retrospectively in the financial years ended March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/ classifications followed as at and for the year ended March 31, 2024;
  - b) have been made after giving effect to the matter(s) giving rise to modifications mentioned in paragraph 6 above; and
  - c) Have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
8. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on audited financial statements mentioned in paragraph 4 above.
9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
12. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with the Securities and Exchange Board of India, relevant stock exchange(s) and Registrar of Companies, Mumbai 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** Sundarlal Desai and Kanodia  
Statutory Auditor  
Firm's Registration No. 0110560W

**Mukul B. Desai**  
**Partner**  
Membership No.: 033978  
Date: 16/07/2024  
Place: Mumbai  
UDIN: 24033978BKCARL1105

**Shiv Texchem Limited (Formely known as Shiv Texchem Private Limited)**  
**Restated Balance Sheet as at 31st March 2024**

		(INR in Lakhs)		
	Schedule	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholder's Funds</b>				
Share Capital	1	213.33	160.00	160.00
Reserves and surplus	2	19,074.36	12,116.39	10,513.68
<b>Total Equity</b>		<b>19,287.69</b>	<b>12,276.39</b>	<b>10,673.68</b>
<b>Non Current Liabilities</b>				
Long Term Borrowings	3	6,682.10	6,005.37	6,023.46
Long Term Provisions	4	6.21	5.23	3.79
<b>Total Non Current Liabilities</b>		<b>6,688.31</b>	<b>6,010.60</b>	<b>6,027.25</b>
<b>Current Liabilities</b>				
Short Term Borrowing	5	22,983.15	26,909.02	6,010.87
Trade Payables	6	27,764.32	11,566.62	19,377.71
Other Current Liabilities	7	2,811.03	3,464.67	426.35
Short Term Provisions	8	333.55	7.68	27.71
<b>Total Current Liabilities</b>		<b>53,892.05</b>	<b>41,947.99</b>	<b>25,842.64</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>79,868.05</b>	<b>60,234.98</b>	<b>42,543.57</b>
<b>ASSETS</b>				
<b>Non Current Assets</b>				
Property, Plant, and Equipment	9	87.97	96.58	36.67
Non Current Investment	10	0.15	0.75	0.75
Deffered Tax Assets	11	3.62	3.48	2.75
Long Term Loans and Advances	12	83.38	65.38	233.42
<b>Total Non Current Assets</b>		<b>175.12</b>	<b>166.19</b>	<b>273.59</b>
<b>Current Assets</b>				
Inventories	13	39,655.48	31,567.42	12,971.68
Trade Receivables	14	18,230.20	12,521.63	17,836.05
Cash & Cash Equivalents	15	18,067.75	13,379.35	10,362.48
Short Term Loans & Advances	16	3,739.50	2,600.39	1,099.77
<b>Total Current Assets</b>		<b>79,692.93</b>	<b>60,068.79</b>	<b>42,269.98</b>
<b>TOTAL ASSETS</b>		<b>79,868.05</b>	<b>60,234.98</b>	<b>42,543.57</b>

As per our separate report attached.

**For Sundarlal Desai & Kanodia**

Chartered Accountants

Firm Regn No. 0110560W

**(CA. Mukul B. Desai)**

**Partner**

M. No. 033978

Place : Mumbai

Date : 16th July, 2024

**For and on behalf of the Board of Directors**

**(Vikas Pavankumar)**

Whole Time Director  
and Managing Director

DIN No.:00323118

**(Hemanshu Chokhani)**

Whole Time Director and  
Chief Financial Officer

DIN No.:00217029

**(Dinky Jain)**

Company Secretary and Compliance Officer

Membership No: 59546

**Shiv Texchem Limited (Formerly known as Shiv Texchem Private Limited)**  
**Restated Statement of Profit and Loss**

		(INR in Lakhs)		
	Schedule	Year Ended 31.03.2024	Year Ended 31.03.2023	Year Ended 31.03.2022
<b>INCOME</b>				
Revenue from Operations (Net)	17	1,53,490.41	1,11,759.06	85,865.83
Other Income	18	178.38	107.92	681.63
<b>Total Revenue</b>		<b>1,53,668.79</b>	<b>1,11,866.98</b>	<b>86,547.46</b>
<b>EXPENDITURE</b>				
Purchase of Stock-in-trade	19	1,47,873.18	1,21,964.27	93,276.02
Change in inventories of traded goods	20	(8,088.06)	(18,595.74)	(12,934.40)
Employees Benefit Expenses	21	333.63	268.81	206.57
Finance Costs	22	1,887.97	1,535.41	396.94
Depreciation & Amortisation Expenses	9	19.02	20.41	9.86
Other Expenses	23	7,558.48	4,519.45	3,724.31
<b>Total Expenses</b>		<b>1,49,584.22</b>	<b>1,09,712.61</b>	<b>84,679.30</b>
<b>Profit Before Tax</b>		<b>4,084.57</b>	<b>2,154.37</b>	<b>1,868.16</b>
<b>Tax Expenses</b>				
Current Tax		1,073.41	552.38	483.21
Deferred Tax (Income) / Expenses		(0.14)	(0.73)	(1.53)
<b>Profit / (Loss) for the Year</b>		<b>3,011.30</b>	<b>1,602.72</b>	<b>1,386.48</b>
Basic & Diluted EPS	24	165.42	100.17	163.64
Weighted Average No. of Shares		18,20,369	16,00,000	8,47,288

As per our separate report attached.  
**For Sundarlal Desai & Kanodia**  
Chartered Accountants  
Firm Regn No. 0110560W

**For and on behalf of the Board of Directors**

(CA. Mukul B. Desai)  
Partner  
M. No. 033978  
Place : Mumbai  
Date : 16th July, 2024

<p><b>(Vikas Pavankumar)</b>  Whole Time Director and  Managing Director  DIN No.:00323118</p>	<p><b>(Hemanshu Chokhani)</b>  Whole Time Director and Chief Financial  Officer  DIN No.:00217029</p>
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**(Dinky Jain)**  
Company Secretary and Compliance Officer  
Membership No: 59546

**Shiv Texchem Limited (Formerly known as Shiv Texchem Private Limited)**  
**Restated Statement of Cash Flows**

Particulars	(INR in Lakhs)		
	Year Ended 31.03.2024	Year Ended 31.03.2023	Year Ended 31.03.2022
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit Before Tax and Extraordinary Items	4,084.57	2,154.37	1,868.16
Adjustment for :			
Depreciation	19.02	20.41	9.86
Interest Expenses	1,887.97	1,535.41	396.94
Interest Income	(2.06)	(2.16)	(4.73)
Gain/ Loss on sale of Fixed Assets	-	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>5,989.50</b>	<b>3,708.03</b>	<b>2,270.23</b>
<b>Adjustment for Changes in Working Capital :</b>			
Stock in Trade	(8,088.06)	(18,595.74)	(12,934.40)
Trade Receivables	(5,708.57)	5,314.42	(4,049.15)
Loans and Advances	(1,156.51)	(1,332.58)	(823.73)
Trade Payable, Current Liabilities and Provisions	15,870.91	(4,791.37)	18,845.34
Cash Generated/(used) in Operations	6,907.27	(15,697.24)	3,308.29
Direct Taxes Paid	(1,073.41)	(552.38)	(483.21)
<b>Net Cash Used in Operating Activities</b>	<b>5,833.86</b>	<b>(16,249.62)</b>	<b>2,825.08</b>
<b>(B) CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
Purchase of Fixed Assets (Net)	(10.41)	(80.32)	(33.81)
Sale of Fixed Assets	-	-	-
Interest Received	2.06	2.16	4.73
<b>Net Cash Used in Investing Activities</b>	<b>(8.35)</b>	<b>(78.16)</b>	<b>(29.08)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of Share Capital	4,000.00	-	6,520.00
(Repayment) of / Proceeds from Term Borrowings	(3,249.14)	20,880.06	(69.38)
Interest Paid	(1,887.97)	(1,535.41)	(396.94)
<b>Net Cash Generated from Financing Activities</b>	<b>(1,137.11)</b>	<b>19,344.65</b>	<b>6,053.68</b>
Net Inc./(Dec.) in Cash & Cash equivalents [A+B+C]	4,688.40	3,016.87	8,849.69
<b>Cash &amp; Cash Equivalents- Opening Balance</b>	<b>13,379.35</b>	<b>10,362.48</b>	<b>1,512.79</b>
<b>Cash &amp; Cash Equivalents- Closing Balance</b>	<b>18,067.75</b>	<b>13,379.35</b>	<b>10,362.48</b>

Notes:

1) Cash Flow Statement has been prepared under "Indirect Method" set out in Accounting Standard 3 on Cash Flow Statements.

As per our separate report attached.  
**For Sundarlal Desai & Kanodia**  
Chartered Accountants  
Firm Regn No. 0110560W

**(CA. Mukul B. Desai)**  
Partner  
M. No. 033978  
Place : Mumbai  
Date : 16th July, 2024

**For and on behalf of the Board of Directors**

**(Vikas Pavankumar)**                      **(Hemanshu Chokhani)**  
Whole Time Director and              Whole Time Director and Chief  
Managing Director                      Financial Officer  
DIN No.:00323118                      DIN No.:00217029

**(Dilip Jain)**  
Company Secretary and Compliance Officer  
Membership No: 59546

**Shiv Texchem Limited (Formerly known as Shiv Texchem Private Limited)**

**Restated Schedules to Financial Statements for the Year ended 31st March, 2024**

(INR in Lakhs)

Note No.	Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
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**1 RESTATED STATEMENT OF SHARE CAPITAL**

**Authorised Share Capital**

Equity shares of Rs. 10 each

- Number of shares	30,00,000	30,00,000	30,00,000
- Amount in lakhs	300.00	300.00	300.00
	<b>300.00</b>	<b>300.00</b>	<b>300.00</b>

**Issued, Subscribed and Paid up :**

Equity shares of Rs. 10 each

- Number of shares	21,33,334	16,00,000	16,00,000
- Amount in lakhs	213.33	160.00	160.00
	<b>213.33</b>	<b>160.00</b>	<b>160.00</b>

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the year :**

**Balance at the beginning of the year**

-Number of shares	16,00,000	16,00,000	8,00,000
-Amount in INR	160.00	160.00	80.00

**Add: Shares Issued During the Year**

-Number of shares	5,33,334	-	8,00,000
-Amount in INR	53.33	-	80.00

**Shares Outstanding at the End of the Year**

-Number of shares	<b>21,33,334</b>	<b>16,00,000</b>	<b>16,00,000</b>
-Amount in INR	<b>213.33</b>	<b>160.00</b>	<b>160.00</b>

**(b) The details of Shareholders holding more than 5% shares :-**

**Pavankumar Sanwaria Realty Private Limited**

-Number of shares	7,98,995	7,99,995	8,00,000
-Percentage Holding (%)	37.45%	50.00%	50.00%

**Hemanshu Syntex Pvt. Ltd.**

-Number of shares	3,49,000	3,49,000	3,49,000
-Percentage Holding (%)	16.36%	21.81%	21.81%

**Manjudevi Chokhani**

-Number of shares	2,00,000	2,00,000	2,00,000
-Percentage Holding (%)	9.37%	12.50%	12.50%

**Shyam Sunder Chokhani**

-Number of shares	1,50,000	1,50,000	1,50,000
-Percentage Holding (%)	7.03%	9.38%	9.38%

**Shyam Sunder Chokhani (HUF)**

-Number of shares	1,00,000	1,00,000	1,00,000
-Percentage Holding (%)	4.69%	6.25%	6.25%

**Karan Wilkoo**

-Number of shares	<b>156</b>	5.00	-
-Percentage Holding (%)	25.00%	0.00%	0.00%

# Shiv Texchem Limited (Formely known as Shiv Texchem Private Limited)

## Restated Schedules to Financial Statements for the Year ended 31st March, 2024

(INR in Lakhs)

### Promoter's Shareholding :

#### Shares held by promoters at the end of the year 2024

Sr.No.	Promoter Name	No.of Shares	% of total shares	% Change during the year
1	Pavankumar Sanwaria Realty Private Limited	7,98,995	37.45%	-0.05%
2	Hemanshu Syntex Pvt. Ltd.	3,49,000	16.36%	-
3	Vikas Pavankumar	1,000	0.05%	0.05%
4	Hemanshu Chokhani	1,000	0.05%	-

#### Shares held by promoters at the end of the year 2023

Sr.No.	Promoter Name	No.of Shares	% of total shares	% Change during the year
1	Pavankumar Sanwaria Realty Private Limited	7,99,995	50.00%	-
2	Hemanshu Syntex Pvt. Ltd.	3,49,000	21.81%	-
3	Vikas Pavankumar	-	0.00%	-
4	Hemanshu Chokhani	1,000	0.05%	-

#### Shares held by promoters at the end of the year 2022

Sr.No.	Promoter Name	No.of Shares	% of total shares	% Change during the year
1	Pavankumar Sanwaria Realty Private Limited	8,00,000	50.00%	-
2	Hemanshu Syntex Pvt. Ltd.	3,49,000	21.81%	-
3	Vikas Pavankumar	-	0.00%	-
4	Hemanshu Chokhani	1,000	0.05%	-

### (c) Term and conditions and rights attached to each Equity Share :

Company has only one class of shares referred to as equity shares having a par value of Rs.10/- Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be proportional to the number of equity shares held by the shareholders.

### Note No. Particulars

2	<b><u>RESTATED STATEMENT OF RESERVES AND SURPLUS</u></b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>
	<b>General Reserve</b>			
	As per Last year balance sheet	105.64	105.64	105.64
	<b>Profit &amp; Loss Account</b>			
	As per last year balance sheet	5,415.75	3,813.04	2,426.56
	Add: Profit / (Loss) for the year	3,011.30	1,602.72	1,386.48
	Securities Premium Account	10,541.67	6,595.00	6,595.00
		<b>157</b>	<b>12,116.39</b>	<b>10,513.68</b>



**Shiv Texchem Limited (Formerly known as Shiv Texchem Private Limited)**  
**Restated Schedules to Financial Statements for the Year ended 31st March, 2024**

(INR in Lakhs)

Note No.	Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
<b>3</b>	<b><u>RESTATED STATEMENT OF LONG TERM BORROWINGS</u></b>			
	<b>Unsecured :</b>			
	<b><u>Term Loan from Banks*</u></b>	1,291.32	1,652.86	1,525.74
	<b><u>Loans and Advances from related parties</u></b>			
	From Directors	173.21	158.64	120.64
	From Shareholders	3,817.50	3,061.89	3,402.56
	<b><u>Loans and Advances from others</u></b>			
	From Corporate Bodies	1,400.07	1,131.98	974.52
		<b>6,682.10</b>	<b>6,005.37</b>	<b>6,023.46</b>
	* Term Loan from bank consists of Gauranteed Emergency Credit Line for which 100% gaurantee is provided by National Credit Guarantee Trustee Company. These credit limits are availed in form of additional working capital term loan facility from HDFC bank, Axis Bank and ICICI bank. The repayment term of these facilities ranges from 4-5 years			
<b>4</b>	<b><u>RESTATED STATEMENT OF LONG TERM PROVISION</u></b>			
	<b>Provision for employee benefits:</b>			
	Provision for Gratuity	6.21	5.23	3.79
		<b>6.21</b>	<b>5.23</b>	<b>3.79</b>
<b>5</b>	<b><u>RESTATED STATEMENT OF SHORT TERM BORROWINGS</u></b>			
	<b><u>Secured Loans</u></b>			
	Overdraft & WCDL Accounts	22,619.33	22,510.30	5,903.32
	<b>Unsecured :</b>			
	<b><u>Loans and Advances from related parties</u></b>			
	From Shareholders	-	4,012.65	-
	Vehicle Loan	-	16.91	-
	Current Maturity of Long Term Debts	363.82	170.56	107.55
	<b><u>Loans and Advances from others</u></b>			
	From Corporate Bodies		198.60	
		<b>22,983.15</b>	<b>26,909.02</b>	<b>6,010.87</b>

**(a) Overdraft & WCDL Accounts**

Rs. 22,619.33 lakhs in Current Year (As at 31.03.2023: Rs.22,510.30 lakhs) and (As at 31.03.2022: Rs. 5,903.32 lakhs), are secured by way of first charge on stocks, trade receivables, collateral security of Director's residential flats and fixed deposit of all the banks. Further secured by personal guarantee of all the directors and corporate guarantee given by Hemanshu Syntex Private Limited & Pavankumar Sanwaria Realty Private Limited

**Shiv Texchem Limited (Formerly known as Shiv Texchem Private Limited)**  
**Restated Schedules to Financial Statements for the Year ended 31st March, 2024**

(INR in Lakhs)

Note No.	Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
<b>6</b>	<b><u>RESTATED STATEMENT OF TRADE PAYABLES</u></b>			
	Micro, Small and Medium Enterprises	-	-	-
	Others	2,024.22	2,046.20	3,717.51
	Bills Payable	25,740.10	9,520.42	15,660.20
		<b>27,764.32</b>	<b>11,566.62</b>	<b>19,377.71</b>

Ageing for the year FY 23-24	< 1 Year	1-2 Years	2-3 Years	> 3 Years
i) MSME	-	-	-	-
ii) Others	27,764.32	-	-	-
iii) Disputed dues - MSME	-	-	-	-
iv) Disputed dues - Others	-	-	-	-

Ageing for the year FY 22-23	< 1 Year	1-2 Years	2-3 Years	> 3 Years
i) MSME	-	-	-	-
ii) Others	11,566.62	-	-	-
iii) Disputed dues - MSME	-	-	-	-
iv) Disputed dues - Others	-	-	-	-

Ageing for the year FY 21-22	< 1 Year	1-2 Years	2-3 Years	> 3 Years
i) MSME	-	-	-	-
ii) Others	19,377.71	-	-	-
iii) Disputed dues - MSME	-	-	-	-
iv) Disputed dues - Others	-	-	-	-

The Company has not received any information from its suppliers regarding registration under 'The Micro, Small and Medium Enterprises Development Act, 2006'. Hence, the information required to be given in accordance section 22 of the said Act, is not ascertainable. Hence, not disclosed.

**7 RESTATED STATEMENT OF OTHER CURRENT LIABILITIES**

Statutory Remittances	44.69	34.95	23.36
Advances from Customers	548.47	1,339.84	75.37
Other Payable	2,194.48	2,084.48	317.99
Outstanding Expenses	23.39	5.40	9.63
	<b>2,811.03</b>	<b>3,464.67</b>	<b>426.35</b>

**8 RESTATED STATEMENT OF SHORT TERM PROVISIONS**

Provision for Tax (Net of TDS)	330.99	4.30	1.18
Provision for Gratuity	2.56	3.38	1.53
Provision for Corporate Social Responsibility	-	-	25.00
	<b>333.55</b>	<b>7.68</b>	<b>27.71</b>

Note  
No. Particulars

**9 RESTATED STATEMENT OF FIXED ASSETS**

Tangible Assets	Furniture & Fixtures	Vehicle	Office Equipment	Computers	Total
<b><u>GROSS BLOCK</u></b>					
<b>Gross Block as on April 01, 2021</b>	-	19.29	6.13	10.38	<b>35.80</b>
Add : Additions during the Year	18.16	-	5.24	10.40	<b>33.80</b>
Less : Adjustment / Disposed during the Year	-	-	-	-	-
<b>Gross Block as on March 31, 2022</b>	<b>18.16</b>	<b>19.29</b>	<b>11.37</b>	<b>20.78</b>	<b>69.60</b>
Add : Additions during the Year	<b>0.54</b>	<b>72.23</b>	<b>3.66</b>	<b>3.89</b>	<b>80.32</b>
Less : Adjustment / Disposed during the Year	-	-	-	-	-
<b>Gross Block as on March 31, 2023</b>	18.70	91.52	15.03	24.67	<b>149.92</b>
Add : Additions during the Year	-	-	0.71	9.70	<b>10.41</b>
Less : Adjustment / Disposed during the Year	-	-	-	-	-
<b>Gross Block as on March 31, 2024</b>	<b>18.70</b>	<b>91.52</b>	<b>15.74</b>	<b>34.37</b>	<b>160.33</b>
<b><u>ACCUMULATED DEPRECIATION</u></b>					
Accumulated Depreciation as on April 01, 2021	-	12.41	5.09	5.57	<b>23.07</b>
Add: Depreciation for the Year	1.73	1.48	1.21	5.44	<b>9.86</b>
Less: Adjustment for Deduction	-	-	-	-	-
<b>Accumulated Depreciation as on March 31, 2022</b>	<b>1.73</b>	<b>13.89</b>	<b>6.30</b>	<b>11.01</b>	<b>32.93</b>
Add: Depreciation for the Year	1.78	10.06	1.90	6.67	<b>20.41</b>
Less: Adjustment for Deduction	-	-	-	-	-
<b>Accumulated Depreciation as on March 31, 2023</b>	<b>3.51</b>	<b>23.95</b>	<b>8.20</b>	<b>17.68</b>	<b>53.34</b>
Add: Depreciation for the Year	1.78	10.06	1.90	5.28	<b>19.02</b>
Less: Adjustment for Deduction	-	-	-	-	-
<b>Accumulated Depreciation as on March 31, 2024</b>	<b>5.29</b>	<b>34.01</b>	<b>10.10</b>	<b>22.96</b>	<b>72.36</b>
<b><u>NET BLOCK</u></b>					
<b>Net Block as on March 31, 2022</b>	<b>16.43</b>	<b>5.40</b>	<b>5.07</b>	<b>9.77</b>	<b>36.67</b>
<b>Net Block as on March 31, 2023</b>	<b>15.19</b>	<b>67.57</b>	<b>6.83</b>	<b>6.99</b>	<b>96.58</b>
<b>Net Block as on March 31, 2024</b>	<b>13.41</b>	<b>57.51</b>	<b>5.64</b>	<b>11.41</b>	<b>87.97</b>

**Shiv Texchem Limited (Formerly known as Shiv Texchem Private Limited)**  
**Restated Schedules to Financial Statements for the Year ended 31st March, 2024**

(INR in Lakhs)

Note No.	Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
<b>10</b>	<b><u>RESTATED STATEMENT OF NON CURRENT INVESTMENT</u></b>			
	Non Trade Investment (NSC)	0.15	0.75	0.75
		<b>0.15</b>	<b>0.75</b>	<b>0.75</b>
<b>11</b>	<b><u>RESTATED STATEMENT OF DEFERRED TAX ASSETS</u></b>			
	<b><u>Deferred Tax Assets &amp; Liabilities Provision</u></b>			
	WDV As Per Companies Act 2013	87.97	96.58	36.67
	WDV As Per Income Tax Act	93.58	101.80	42.30
	<b>Difference in WDV</b>	<b>5.61</b>	<b>5.22</b>	<b>5.62</b>
	Gratuity Provision	8.77	8.61	5.32
	<b>Total Timing Differece</b>	<b>14.38</b>	<b>13.84</b>	<b>10.95</b>
	Tax Rate as per Income Tax	<b>25.17%</b>	<b>25.17%</b>	<b>25.17%</b>
	DTA / (DTL)	<b>3.62</b>	<b>3.48</b>	<b>2.75</b>
	<b><u>Deferred Tax Assets &amp; Liabilities Summary</u></b>			
	Deffered Tax as on Previous Year	3.48	2.75	1.22
	Deffered Tax as on Current Year	3.62	3.48	2.75
	Deffered tax Expense/(Income)	<b>(0.14)</b>	<b>(0.73)</b>	<b>-1.53</b>
<b>12</b>	<b><u>RESTATED STATEMENT OF LONG-TERM LOANS AND ADVANCES</u></b>			
	Security Deposits	83.38	65.38	233.42
		<b>83.38</b>	<b>65.38</b>	<b>233.42</b>
<b>13</b>	<b><u>RESTATED STATEMENT OF INVENTORIES</u></b>			
	Stock in trade	39,655.48	31,567.42	12,971.68
		<b>39,655.48</b>	<b>31,567.42</b>	<b>12,971.68</b>
<b>14</b>	<b><u>RESTATED STATEMENT OF TRADE RECEIVABLES</u></b>			
	(Unsecured, considered good)			
	Over Six Months	431.59	245.26	322.12
	Others	17,798.61	12,276.37	17,513.93
		<b>18,230.20</b>	<b>12,521.63</b>	<b>17,836.05</b>

**Shiv Texchem Limited (Formerly known as Shiv Texchem Private Limited)**  
**Restated Schedules to Financial Statements for the Year ended 31st March, 2024**

(INR in Lakhs)

Ageing for 2023-24	Not Due	> 6 Months	6M- 1year	1 - 2 Years	2 - 3 Years	<3 Years	Total
i) Undisputed Trade Receivable - considered good	-	17,798.61	11.11	36.69	39.38	32.61	<b>17,918.39</b>
ii) Undisputed Trade Receivable - Signiificantly increased Credit Risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivable - Considered Good	-	-	155.72	-	97.72	58.36	<b>311.81</b>
v) Disputed Trade receivable - Signiificantly increased Credit Risk	-	-	-	-	-	-	-
vi) Undisputed Trade receivable - Credit Impaired	-	-	-	-	-	-	-

Ageing for 2022-23	Not Due	> 6 Months	6M- 1year	1 - 2 Years	2 - 3 Years	<3 Years	Total
i) Undisputed Trade Receivable - considered good	-	12,276.37	19.05	31.46	31.90	6.77	<b>12,365.55</b>
ii) Undisputed Trade Receivable - Signiificantly increased Credit Risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivable - Considered Good	-	-	-	97.72	40.58	17.78	<b>156.08</b>
v) Disputed Trade receivable - Signiificantly increased Credit Risk	-	-	-	-	-	-	-
vi) Undisputed Trade receivable - Credit Impaired	-	-	-	-	-	-	-

Ageing for 2021-22	Not Due	> 6 Months	6M- 1year	1 - 2 Years	2 - 3 Years	<3 Years	Total
i) Undisputed Trade Receivable - considered good	-	17,513.93	217.02	39.85	0.34	-	<b>17,771.14</b>
ii) Undisputed Trade Receivable - Signiificantly increased Credit Risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivable - Considered Good	-	-	-	40.36	24.55	-	<b>64.91</b>
v) Disputed Trade receivable - Signiificantly increased Credit Risk	-	-	-	-	-	-	-
vi) Undisputed Trade receivable - Credit Impaired	-	-	-	-	-	-	-

**Shiv Texchem Limited (Formerly known as Shiv Texchem Private Limited)**  
**Restated Schedules to Financial Statements for the Year ended 31st March, 2024**

Note No.	Particulars	As at 31st March, 2024	As at 31st March, 2023	(INR in Lakhs) As at 31st March, 2022
<b>15</b>	<b><u>RESTATED STATEMENT OF CASH AND CASH EQUIVALENTS</u></b>			
	Cash in Hand	0.75	0.63	0.82
	<b>Balances with Banks</b>			
	(i) In Current Accounts	-	-	511.96
	(ii) In Deposit Accounts*	18,067.00	13,378.72	9,849.70
		<b>18,067.75</b>	<b>13,379.35</b>	<b>10,362.48</b>
	*Balance held in deposits account represents fixed deposits held as margin money against overdraft and WCDL availed			
<b>16</b>	<b><u>RESTATED STATEMENT OF SHORT TERM LOANS AND ADVANCES</u></b>			
	Balance with Statutory and Govt. Authority	3,334.44	1,775.60	770.55
	Other Loans & Advances	86.44	87.89	166.75
	Prepaid Expenses	318.62	736.90	162.47
		<b>3,739.50</b>	<b>2,600.39</b>	<b>1,099.77</b>
<b>17</b>	<b><u>RESTATED STATEMENT OF REVENUE FROM OPERATION</u></b>			
	Sale of Products	1,53,490.41	1,11,759.06	85,865.83
		<b>1,53,490.41</b>	<b>1,11,759.06</b>	<b>85,865.83</b>
<b>18</b>	<b><u>RESTATED STATEMENT OF OTHER INCOME</u></b>			
	Interest income	2.06	2.16	4.73
	Commission received	-	0.84	340.12
	Consultancy Advisory Fees	-	-	24.00
	Detention Charges	-	-	0.78
	Forward Contract Gain	8.32	-	263.90
	Insurance Claim Received	96.93	35.84	6.77
	Liability (creditors) written Off	0.28	-	3.40
	Miscellaneous Income	-	4.49	2.31
	Storage & Handling Charges	70.79	64.59	35.62
		<b>178.38</b>	<b>107.92</b>	<b>681.63</b>
<b>19</b>	<b><u>RESTATED STATEMENT OF PURCHASE OF STOCK IN TRADE</u></b>			
	Purchases	1,47,873.18	1,21,964.27	93,276.02
		<b>1,47,873.18</b>	<b>1,21,964.27</b>	<b>93,276.02</b>
<b>20</b>	<b><u>RESTATED STATEMENT OF CHANGE IN INVENTORIES</u></b>			
	<b>Inventories at the End of the Year</b>			
	Stock in trade	39,655.48	31,567.42	12,971.68
	<b>Inventories at the Beginning of the Year</b>			
	Stock in trade	31,567.42	12,971.68	37.28
		<b>(8,088.06)</b>	<b>(18,595.74)</b>	<b>(12,934.40)</b>

**Shiv Texchem Limited (Formerly known as Shiv Texchem Private Limited)**  
**Restated Schedules to Financial Statements for the Year ended 31st March, 2024**

Note No.	Particulars	(INR in Lakhs)		
		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
<b>21</b>	<b><u>RESTATED STATEMENT OF EMPLOYEES BENEFIT EXPENSES</u></b>			
	Salaries and Wages	318.88	258.15	191.87
	Staff welfare expenses	14.75	10.66	14.70
		<b>333.63</b>	<b>268.81</b>	<b>206.57</b>
<b>22</b>	<b><u>RESTATED STATEMENT OF FINANCE COST</u></b>			
	Interest on borrowing & others finance charges	1,887.97	1,535.41	396.94
		<b>1,887.97</b>	<b>1,535.41</b>	<b>396.94</b>
<b>23</b>	<b><u>RESTATED STATEMENT OF OTHER EXPENSES</u></b>			
	Commission & Brokerage	292.24	112.75	0.40
	Freight & Forwarding Charges	765.01	980.32	2,346.23
	Advertisement & Business Promotion	6.15	13.05	8.78
	Import Charges	1,832.10	1,076.45	1,098.42
	Electricity Charges	5.61	3.14	1.68
	Insurance Charges	90.37	94.90	50.26
	Legal & Professional Charges	300.91	129.49	63.39
	Miscellaneous Expenses	480.25	99.33	49.32
	Motor Car Expenses	4.61	5.84	3.00
	Postage & Couriers Charges	2.48	2.85	2.33
	Rent, Rates & Taxes	95.80	57.97	58.98
	Repair & Maintenance Charges	2.41	1.37	2.41
	Storage & Handling Charges	3,615.10	1,886.46	-
	Telephone & Mobile Charges	3.92	3.84	1.61
	Travelling Expenses	21.77	21.58	9.75
	Corporate Social Responsibility	35.00	25.00	25.00
	<u>Payment to Auditors comprises :</u>			
	Audit Fees	4.50	4.50	2.25
	Other Services	0.25	0.61	0.50
		<b>7,558.48</b>	<b>4,519.45</b>	<b>3,724.31</b>
<b>24</b>	<b><u>RESTATED STATEMENT OF EARNING PER SHARE</u></b>			
	Profit for the year (A)	3,011.30	1,602.72	1,386.48
	Weighted average number of basic Equity Shares (B)	18,20,369	16,00,000	8,47,288
	Nominal Value Per Share	10	10	10
	<b>Basic and Diluted Earning Per Share (A/B)</b>	<b>165.42</b>	<b>100.17</b>	<b>163.64</b>

**Shiv Texchem Limited (Formerly known as Shiv Texchem Private Limited)**  
**Notes on Audited Financial Statements for the Year ended 31st March, 2024**

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**Note 25: Accounting Policies**

**A. Background of the Company**

Shiv Texchem Limited (formerly known as Shiv Texchem Private Limited) is domiciled and incorporated in India in the year 2005, under Companies Act, 1956. Its Registered Office is located at 216 Kamla Space, 2nd floor, Khira Nagar, SV Road, Santacruz (W), Mumbai 400 054. Our company is engaged in business of procurement and distribution of hydrocarbon based chemicals. The company was converted into a Public Limited Company on 5th July, 2024

**B. SIGNIFICANT ACCOUNTING POLICIES**

**a. BASIS OF PREPARATION**

The restated statement of assets and liabilities of the Company as at 31st March 2024, 31st March 2023 and 31st March 2022 and the related restated statement of profits and loss and cash flows for the year ended 31st March 2024, 31st March 2023 and 31st March 2022 (herein collectively referred to as (“Restated Statements”) have been compiled by the management from the audited Financial Statements for the year ended on 31st March 2024, 31st March 2023 and 31st March 2022. Restated Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 (the “Act”) read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”) issued by SEBI and Guidance note on Reports in Companies Prospectuses (Revised 2019) (“Guidance Note”). Restated Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the stock exchange in connection with its proposed IPO. The Company’s management has recast the Financial Statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of restated Summary Statements.

The Restated Financial Statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, including the Accounting Standards as prescribed by the Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2021 (as Amended).

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in the Schedule III of the Companies Act, 2013.

**I. Current/non-current classification**

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

An asset is treated as Current when it is –

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.



A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## **II. Significant accounting estimates and assumptions**

The preparation of the company's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

## **III. Property, Plant and Equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes all expenses related to acquisition and installation of the concerned assets and any attributable cost of bringing the asset to the condition of its intended use. The cost of self-constructed assets includes the cost of materials and direct services, any other costs directly attributable to bringing the assets to its working condition for their intended use.

All other expenses on existing Fixed Assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

### **Depreciation / Amortisation and Useful Life of Property, Plant and Equipment / Intangible Assets**

Depreciation on property, plant and equipment have been provided under the Written down Value method, based on useful lives of assets as estimated by the management or the useful lives of the assets as prescribed in Schedule-II to the Companies Act 2013, whichever is lower. Depreciation is charged on a monthly pro-rata basis for assets purchased/sold during the year.

**Shiv Texchem Limited (Formerly known as Shiv Texchem Private Limited)**  
**Notes on Audited Financial Statements for the Year ended 31st March, 2024**

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Following are the estimated useful lives of various category of assets used:

<b>Asset</b>	<b>Useful Life in Years</b>
Furniture & Fittings	10
Computers	3
Office Equipment	5
Vehicles	8

**IV. Impairment of Assets**

The company assesses at each balance sheet date whether there is any indication that an asset any be impaired. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

**V. Inventories**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, and other costs net of recoverable taxes incurred in bringing them to their respective present location and condition.

**VI. Investments**

Long term Investments are accounted at cost and carried at cost. If there is a decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognise the decline.

Cost of an investment includes acquisition charges such as brokerage, fees and duties.

Current investments may be carried at the lower of cost and fair value.

On disposal of an investment, the difference between the carrying amount and the disposal proceeds, net of expenses, is recognised in the profit and loss statement.

When disposing of a part of the holding of an individual investment, the carrying amount to be allocated to that part is to be determined on the basis of the average carrying amount of the total holding of the investment.

**VII. Cash and Cash equivalents**

Cash and Cash Equivalents comprise of cash in hand, cash at banks, short term deposits and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**VIII. Revenue recognition**

Ø The Company earns revenue primarily from sale of chemical products. Revenue is recognised at the transaction price upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is recognized at point in time when the performance obligation with respect to sale of chemicals or rendering of services to the customer which is the point in time when the customer receives the goods and services.

Revenue is measured at the transaction price received or receivable, after the deduction of any trade discounts, volume rebates, sales return on transfer of control in respect of ownership to the buyer which is generally on dispatch of goods and any other taxes or duties collected on behalf of the government which are levied on sales such as Goods and Services Tax (GST). Discounts given include rebates, price reductions and other incentives given to customers. No element of financing is deemed present as the sales are made with a payment term which is consistent with market practice.

Ø **Other Income:** Revenue in respect of Insurance/other claims, commission etc. are recognised only when it is reasonably certain that the ultimate collection will be made. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable. Insurance claim are accounted when the right to receive is established and the claim is admitted by the surveyor. Revenue in respect of other income is recognised to the extent that the company is reasonably certain of its ultimate realisation.

**IX. Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is put to use.

Borrowing costs are not capitalised where the Property, plant and equipment do not take a substantial period of time to get ready for its intended use.

**X. Earnings per share**

Basic Earnings Per Share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

**XI. Income Taxes**

Tax expense for the year comprises current tax and deferred tax.

***Current Tax:***

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

***Deferred tax:***

Deferred tax charge or benefit is the tax effects of timing difference between accounting income and taxable income for the year. The deferred tax charge or benefit and corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax asset are recognized only if there is a virtual certainty of realization of such assets.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

**XII. Leases**

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases and recorded as expense as and when the payments are made over the lease term.

**XIII. Employee Benefits**

**a) Short term employee benefits:**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

**b) Post-employment benefit:**

**Defined Contribution Plans**

The company deposits the contributions for provident fund and Employee State Insurance to the appropriate government authorities and these contributions are recognized in the statement of Profit & Loss in the financial year to which they relate.

#### **Defined Benefit Plans**

The company pays gratuity to the employees who have completed five years of service at the time of resignation/superannuation. The gratuity is paid @ 15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

#### **XIV. Foreign Exchange**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at year end exchange rates. Exchange difference arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise. Gain or loss on other forward and hedge contracts are recognised in the Statement of Profit and Loss. The difference between the forward rate and the exchange rate at the inception of the forward contract for underlying transactions is recognised as per the principles herein. In respect of hedge contracts, for firm commitment or forecasted transactions, the attributable loss is accrued on periodic settlement and/or completion of contract and is recognised as per the principles set out herein.

#### **XV. Provisions**

A provision is recognized when the company has a present obligation as a result of past event i.e., it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate of the amount of the obligation can be made.

Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each reporting date and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

#### **XVI. Contingent Liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Shiv Texchem Limited (Formerly known as Shiv Texchem Private Limited)

26 Statement of Tax Shelter

(Amount in Lakhs)

Particulars	Year Ended 31st March, 2024	Year Ended 31st March, 2023	Year Ended 31st March, 2022
<b>Profit before tax, as Restated Consolidated (A)</b>	4,084.57	2,154.37	1,868.16
Tax rate (%) (B)	25.17%	25.17%	25.17%
<b>Tax expense at nominal rate [C= (A*B)]</b>	<b>1,028.00</b>	<b>542.21</b>	<b>470.18</b>
<b>Adjustments</b>			
<b>Permanent differences</b>			
Adjustment on account of Section 36 & 37 under Income tax Act, 1961	35.00	25.00	25.00
<b>Total permanent differences (D)</b>	<b>35.00</b>	<b>25.00</b>	<b>25.00</b>
<b>Timing differences</b>			
Depreciation difference as per books and as per tax	0.38	(0.41)	0.73
Penalty on GST	-	0.13	-
Interest on Late payment of TDS	0.18	0.02	0.00
Provision for gratuity, Bonus & leave Encashment	0.16	3.29	5.32
<b>Total timing differences (E)</b>	<b>0.72</b>	<b>3.03</b>	<b>6.05</b>
<b>Deduction under Chapter VI-A (F)</b>			
<b>Net adjustments(G)=(A+D+E+F)</b>	4,120.28	2,182.40	1,899.21
<b>Brought Forward Loss (ab)</b>	-	-	-
<b>Brought Forward Loss (Utilisation)(ac)</b>	-	-	-
<b>Carried Forward Loss</b>	-	-	-
<b>Net Adjustment After Loss Utilisation (H)= (G)+(ac)</b>	4,120.28	2,182.40	1,899.21
<b>Tax impact of adjustments (I)=(H)*(B)</b>	1,036.99	549.27	477.99
<b>Interest under 234</b>	36.42	3.12	5.21
<b>Tax expenses (Normal Tax Liability) (I)=(H)*(B) (derived)</b>	1,073.41	552.38	483.21
<b>Minimum Alternate Tax (MAT)</b>	-	-	-
<b>Income as per MAT **</b>	<b>4,084.57</b>	<b>2,154.37</b>	<b>1,868.16</b>
<b>Less :- Business Loss or Unabsorbed Depre w.e. Lower</b>	-	-	-
<b>Net Income as per MAT</b>	<b>4,084.57</b>	<b>2,154.37</b>	<b>1,868.16</b>
<b>Tax as per MAT</b>	<b>681.71</b>	<b>359.56</b>	<b>311.80</b>
<b>Tax Expenses= MAT or Normal Provision of Income Tax w.e. is higher</b>	<b>1,073.41</b>	<b>552.38</b>	<b>483.21</b>
<b>Tax paid as per "MAT" or "Normal"provision</b>	<b>Normal</b>	<b>Normal</b>	<b>Normal</b>

Notes:

1. The above statement is in accordance with Accounting Standard - 22, "Accounting for Taxes on Income" prescribed under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2021 ( as amended).
2. The permanent/timing differences for the years 31st March 2022, 2023 and 2024 have been computed based on the Income-tax returns filed for the respective years after giving adjustments to restatements, if any.
3. Statutory tax rate includes applicable surcharge, education cess and higher education cess of the year concerned.
4. The above statement should be read with the Statement of Notes to the Financial Information of the Company.

**Shiv Texchem Limited (Formerly known as Shiv Texchem Private Limited)**  
**Statement of Notes to the Restated Financial Information**

**27 Restatement adjustments and Material regroupings**

**(a) Impact of restatement adjustments**

Below mentioned is the summary of results of restatement adjustments made to the audited financial statements of the respective years and its impact on profits.

Particulars	(Amount in Lakhs)		
	Year Ended 31st March, 2024	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Profit after tax as per audited financial statements	3,004.89	1,604.63	1,389.95
<b>Adjustments to net profit as per audited financial statements</b>			
<b>Increase / Decrease in Expenses/Income (refer note (b))</b>			
Employee Benefit Expense	8.60	(3.27)	(5.32)
Excess / Short Provision for Tax	0.58	-	-
Tax Expense related to prior years	(0.61)	0.53	0.51
Deffered Tax Liability / Assets Adjustments (refer note (b))	(2.18)	0.84	1.34
<b>Total adjustments</b>	<b>6.39</b>	<b>(1.91)</b>	<b>(3.47)</b>
<b>Restated profit after tax for the period/ years</b>	<b>3,011.28</b>	<b>1,602.72</b>	<b>1,386.48</b>

**Note:**

A positive figures represents addition and figures in brackets represents deletion in the corresponding head in the audited financial statements for respective reporting periods to arrive at the Restated numbers.

**(b) Explanatory notes for the restatement adjustments**

- (i) The Amount relating to the Income / Expenses have been adjusted in the year to which the same related to & under which head the same relates to.
- (ii) The Company has provided Excess or Short Provision/MAT in the year in which the Income Tax Return has been filled for the respective financial year But in the Restated Financial Information the company has provided Excess or Short Provision in the year to which it relates to.
- (iii) There is change in deferred tax assets / liabilities as per audited books of accounts and as per Restated books for respective financial covered under the Restated financial information and the same has been given effect in the year to which the same relates to.

**To give Explanatory Notes Regarding Adjustment :-**

Appropriate adjustment have been made in the Restated financial statement, wherever required, by reclassification of the corresponding item of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per audited financials of the company for all the years and the requirements of the Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirements) Regulation 2018.

**Statement of Notes to the Restated Financial Information**

**(d) Material regrouping**

- i. With effect from April 1 2014, Schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. Revised Schedule VI notified under the Companies Act, 1956 became applicable to the Company from April 1, 2012, for preparation and presentation of its financial statements. The adoption of Schedule III / Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. Further, there is no significant impact on the presentation and disclosures made in the financial statements on adoption of Schedule III as compared to Revised Schedule VI.
- ii. Appropriate adjustments have been made in the Restated Financial Information, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company for the period ended 31st March 2024 and, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended).

**(c) Reconciliation of Restated Equity / Networth:**

Particulars	(Amount in Lakhs)		
	Year Ended 31st March, 2024	Year Ended 31st March, 2023	Year Ended 31st March, 2022
<b>Equity / Networth as per Audited Financials</b>	19,286.68	12,281.78	10,677.15
<b>Adjustment for:</b>			
Difference Pertaining to changes in Profit / Loss due to Restated Effect for the period covered in Restated Financial	6.39	(1.91)	(3.47)
Prior Period Adjustments	(5.38)	(3.47)	
<b>Equity / Networth as Restated</b>	<b>19,287.69</b>	<b>12,276.39</b>	<b>10,673.68</b>

# SHIV TEXCHEM LIMITED (Previously known as SHIV TEXCHEM PRIVATE LIMITED)

## RESTATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>St</sup> MARCH, 2024

(INR in Lakhs)

### Note 28: Disclosures related to Accounting Standards

i) AS 15 : EMPLOYEE BENEFIT :

#### 1. Assets and Liability (Balance Sheet Position)

Particulars	As on				
	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24
Present Value of Obligation	-	-	532,144	860,589	877,427
Fair Value of Plan Assets	-	-	-	-	-
Unrecognized Past Service Cost	-	-	-	-	-
Effects of Asset Ceiling	-	-	-	-	-
<b>Net Asset / (Liability)</b>	-	-	<b>(532,144)</b>	<b>(860,589)</b>	<b>(877,427)</b>

#### 2. Experience adjustments on Present Value of Benefit Obligation and Plan Assets

Particulars	For the period ending				
	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24
(Gain) / Loss on Plan Liabilities	-	-	-	192,950	83,308
% of Opening Plan Liabilities	-	-	-	36.30%	9.70%
Gain / (Loss) on Plan Assets	-	-	-	-	-
% of Opening Plan Assets	-	-	-	-	-

#### 3. The Company's best estimate of Contribution during the next year\*

Please note that since the scheme is managed on unfunded basis, the next year contribution is taken as nil.

#### 4. The Benefit Valued

Type of Plan	Defined Benefit
Employer's Contribution	100%
Employee's Contribution	Nil
Salary for calculation of Gratuity	Last drawn basic salary
Normal Retirement Age	60 Years
Vesting period	5 Years
Benefit on normal retirement	Same as per the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time).
Benefit on early retirement / termination / resignation / withdrawal	Same as normal retirement benefit based on the service upto the date of exit.
Benefit on death in service	Same as normal retirement benefit and no vesting period condition applies.
Limit	No Limit
Gratuity formula	15/26 *(Last drawn basic salary) *Number of completed years



# SHIV TEXCHEM LIMITED (Previously known as SHIV TEXCHEM PRIVATE LIMITED)

## RESTATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024

The benefit valued are summarised below:

\* In case of employees with age above the retirement age indicated above, the retirement is assumed to happen immediately and valuation is done accordingly.

### 5. Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below:

Particulars	As on		
	31-Mar-24	31-Mar-23	31-Mar-22
Discount rate (per annum)	7.10%	7.15%	4.95%
Salary growth rate (per annum)	5.00%	5.00%	5.00%
Expected rate of return on plan assets (per annum)	-	-	-

### 6. Demographic Assumptions

The principal demographic assumptions used in the valuation are shown in the table below:

Particulars	As on		
	31-Mar-24	31-Mar-23	31-Mar-22
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14
Normal retirement age	60 Years	60 Years	60 Years
Attrition / Withdrawal rate (per annum)	40%	40%	40%

### 7. Changes in the Present Value of Obligation

Particulars	For the period ending		
	31-Mar-24	31-Mar-23	31-03-2022
<b>Present Value of Obligation as at the beginning</b>	<b>860,589</b>	<b>532,144</b>	-
Transfer In / (Out)	-	-	-
Interest Cost	61,662	26,322	-
Past Service Cost	-	-	454,150
Current Service Cost	199,474	159,689	77,994
Curtailement Cost	-	-	-
Settlement Cost	-	-	-
Benefits Paid	(328,846)	-	-
Actuarial (Gain) / Loss on the Obligation	84,548	142,434	-
<b>Present Value of Obligation as at the end</b>	<b>877,427</b>	<b>860,589</b>	<b>532,144</b>

# SHIV TEXCHEM LIMITED (Previously known as SHIV TEXCHEM PRIVATE LIMITED)

## RESTATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>St</sup> MARCH, 2024

ii) AS 17 : SEGEMENT REPORTING:

The Company operates in only one business segment i.e. procurement and distribution of hydrocarbon based chemicals and in only one geographic segment i.e. India. Accordingly there are no separate reportable segments under AS - 17 - Segment Reporting.

iii) AS 18 : RELATED PARTY DISCLOSURES:

Sr No	Nature Of Relationship	Name of Related Party
1	Key Managerial Person and Related party	Mr. Shyamsundar Chokhani
		Mr. Hemanshu Chokhani
		Mr. Vikas Pavankumar
		Mrs. Neha Chokhani
		Shyamsunder Chokhani HUF
2	Relatives of Key Managerial Person	Mrs. Manju Devi Chokhani
		Mrs. Vidhi Pavankumar
3	Associates	Hemanshu Syntex Pvt. Ltd.
		Pavankumar Sanwaria Realty Private Limited
4	Enterprise over which Key Management personnel are able to exercise significant influence	Mack Trading Company Limited
		Amogh Energy Private Limited
		Mahal Plastics and Fibers Private Limited
		Multifilms Plastics Private Limited
		N and N Systems and Software Private Limited
		Shree Bombay Cotton Mills Estate Private Limited
		VRV Estates LLP
		VNV Printlab Private Limited

Sr No	Particulars	Key managerial Personnel			Relatives of Key managerial Personnel			Associates			Enterprise under the control of Key Managerial Personnel		
		March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022
1	Transactions during the year												
A	Directors Remuneration	96.00	96.00	94.00	-	-	-	-	-	-	-	-	-
B	Interest on loans	15.88	12.18	8.34	43.68	32.85	27.18	3.42	3.22	3.03	12.91	32.64	37.57
C	Rent Paid	12.60	13.50	18.00	-	-	-	-	-	-	-	-	-
2	Balances at the end of the year												
A	Loan	173.21	158.63	120.64	474.70	437.24	405.02	36.50	34.68	32.56	114.90	103.28	676.31

iv) AS 28: IMPAIRMENT OF ASSETS

As at March 31, 2024 the company has reviewed the future earnings of all the cash generating units in accordance with the Accounting Standard 28 "Impairment of Assets". As the carrying amount of assets does not exceed the future recoverable amount, consequently, no adjustment to carrying amount of assets is considered necessary by the Management.

v) AS 29 : CONTINGENT LIABILITY

Particulars	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
i) Bank Guarantees given by Bankers on behalf of the Company	0.00	150.00	150.00
ii) Bills Payables (Letter of Credit & Buyer's Credit) with Bank	10,465.74	7,795.14	1,399.90

# SHIV TEXCHEM LIMITED (Previously known as SHIV TEXCHEM PRIVATE LIMITED)

## RESTATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024

### Note 29: Ratios

Ratio	Numerator	Denominator	As at 31 <sup>st</sup> March 2024 (1)	As at 31 <sup>st</sup> March 2023 (2)	As at 31 <sup>st</sup> March 2022 (3)	% Variance (1-2)/(2)	% Variance (2-3)/(3)
Current Ratio	Current Asset	Current Liabilities	1.48	1.43	1.64	2.78%	(12.04%)
Debt – Equity Ratio	Total Debt	Shareholder’s Equity	1.54	2.68	1.13	(42.63%)	137.80%
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	1.82	1.14	3.72	42.95%	(65.76%)
Return on Equity Ratio	Net Profit after Taxes	Average Shareholder’s Equity	19.08%	13.97%	20.75%	36.61%	(32.70%)
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	3.93	4.64	12.35	(15.43%)	(62.42%)
Trade Receivable Turnover Ratio	Revenue	Average Trade Receivable	9.98	7.36	9.63	35.58%	(23.53%)
Trade Payable Turnover Ratio	Purchases of goods	Average Trade Payables	7.52	7.88	9.63	(4.61%)	(18.12%)
Net Capital Turnover Ratio	Revenue	Working Capital	5.95	6.10	5.23	(2.48%)	16.71%
Net Profit Ratio	Net Profit	Revenue	1.96%	1.43%	1.61%	36.80%	(11.19%)
Return on Capital Employed	Earnings before interest and taxes	Capital Employed	23.00%	19.97%	13.57%	15.19%	47.18%
Return on Investment	Profit after Tax	Capital Employed	11.60%	8.67%	8.30%	33.70%	4.44%

### NOTE 30:

#### CORPORATE SOCIAL RESPONSIBILITY

The Details of the Expenditure on activities of Corporate Social Responsibilities (CSR) in Pursuant to Provisions of Section 135 of the Companies Act 2013 are as under:

(Amount in Lacs)

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
a) The Gross Amount required to be spent by the company during the year	35.00	25.00	25.00
b) The amount spent during the year on CSR activities is as follows:	35.00	25.00	25.00

# SHIV TEXCHEM LIMITED (Previously known as SHIV TEXCHEM PRIVATE LIMITED)

## RESTATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>St</sup> MARCH, 2024

### **NOTE 31:**

As at March 31, 2024 the company has reviewed the future earnings of all the cash generating units in accordance with the Accounting Standard 28 "Impairment of Assets". As the carrying amount of assets does not exceed the future recoverable amount, consequently, no adjustment to carrying amount of assets is considered necessary by the Management.

### **NOTE 32:**

Previous year's figures have been regrouped/ rearranged/ reclassified wherever necessary to conform to this year's presentation.

### **Additional Regulatory information:**

- a. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- b. The company has no transactions during the year with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,
- c. There were no registration of charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- d. The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami Property.
- e. The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- f. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Company (restriction on number of Layers) Rules, 2017.
- g. The company has not declared willful defaulter by the bank of financial institution or government or any government authority.
- h. The title deed of all the immovable properties is held in the name of companies.

**For: SUNDERLAL DESAI & KANODIA**  
CHARTERED ACCOUNTANTS  
FRN NO: 110560W

**For: SHIV TEXCHEM LIMITED**  
**(Formerly known as Shiv Texchem Private Limited)**

**Mukul B. Desai**  
**Partner**  
Mem. No. 033978

**(Vikas Pavankumar)**  
Whole Time Director and  
Managing Director  
DIN No. 00323118

**(Hemanshu Chokhani)**  
Whole Time Director and  
Chief Financial Officer  
DIN No.00217029

Place: MUMBAI  
Dated: 16<sup>th</sup> July, 2024

**(Dinky Jain)**  
Company Secretary and Compliance officer  
Membership No: 59546

## OTHER FINANCIAL INFORMATION

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2024
Earnings per equity share (Face Value of ₹ 10 /- each)			
Basic EPS (in ₹)*	20.45	12.52	20.68
Diluted EPS (in ₹)*	20.45	12.52	20.68
Return on Net Worth (%)	20.63%	13.97%	19.08%
Net asset value per equity share (₹)*	83.39	95.91	113.01
Share Capital (₹ in lakhs)	160.00	160.00	213.33
Reserves (Other equity), as restated (₹ in lakhs)	10,513.68	12,116.39	19,074.36
Net worth, as restated (in ₹ lakhs)	10,673.68	12,276.39	19,287.69
EBITDA	2,274.96	3,710.19	5,991.56

\*The same is adjusted for giving effect of bonus issue in ratio of 7:1

1. The ratios on the basis of Restated Financial Statements have been computed as below:

<i>Basic Earnings per share (₹)</i>	=	<i>Net profit as restated, attributable to equity shareholders divided by Weighted average number of equity shares.</i>
<i>Diluted Earnings per share (₹)</i>	=	<i>Net profit as restated, attributable to equity shareholders divided by Weighted average number of dilutive equity shares.</i>
<i>Return on net worth (%)</i>	=	<i>Net profit after tax, as restated divided by average net worth, where average net worth is calculated by dividing sum of closing net worth of the current fiscal year and closing net worth of the previous fiscal year by two. Net Worth of FY 2021 is taken from audited financial statements</i>
<i>Net Asset Value (NAV) per equity share (₹)</i>	=	<i>Net worth as restated at the end of the period divided by Number of equity shares outstanding at the end of the period.</i>
EBITDA	=	Restated profit/(loss) after tax for the respective Fiscal plus tax expenses plus finance costs plus depreciation and amortization

2. *Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year 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. This has been adjusted for all periods presented by giving effect to the subdivision subsequent to the balance sheet date.*

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

4. *The above ratios have been computed on the basis of the Restated Financial Statements.*

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our restated financial information as of and for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022. Our Restated Financial Statements have been derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note. Our financial statements are prepared in accordance with Indian GAAP, including the schedules, annexures and notes thereto and the reports thereon, included in the section titled "Financial Information" on page 150 of this Draft Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from the restated financial statements of our Company.*

*This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections titled "Risk Factors" and "Forward-Looking Statements" on pages 30 and 22 respectively, of this Draft Red Herring Prospectus.*

*These financial statements have been prepared in accordance with Indian GAAP. Indian GAAP differs in certain significant respects from U.S. GAAP, IFRS and Ind AS. We have neither attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS or Ind AS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and the SEBI ICDR Regulations. Any reliance on the financial disclosure in this Draft Red Herring Prospectus, by persons not familiar with Indian Accounting Practices, should accordingly be limited.*

*References to the "Company", "we", "us" and "our" in this chapter refer to Shiv Texchem Limited (formerly known as Shiv Texchem Private Limited), as applicable in the relevant fiscal period, unless otherwise stated.*

### OVERVIEW OF OUR BUSINESS

We are primarily engaged in the business of importing and distribution of hydrocarbon-based chemicals viz. Acetic Acid, Acrylonitrile, Hexane, Butyl Acrylate, Styrene Monomer, Methanol, Toluene, Mixed Xylene (Solvent & Isomer), etc. which are critical raw materials and inputs for manufacturing of paints and coatings, printing inks, agro-chemical products, specialty polymers, pharmaceuticals products, specialty industrial chemicals, etc.

We act as one of the preferred sourcing partners for our customers wherein we aggregate orders from customers, engage with producers and suppliers to negotiate price, specifications, quantity and delivery schedule, and manage supply chain which includes storage, handling and logistics support.

### SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section entitled "Risk Factors" on page 30 of this Draft Red Herring Prospectus. The following are certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Growth of industries in which our products are used as raw materials and inputs;
- Ability to maintain cordial relationships with our customers and suppliers;
- Forecasting and assessing market demand of our products;
- Ability to effectively manage the supply chain including storage, handling and logistics;
- Introduction of new products and further optimize the product offerings;
- Ability to arrange the products for our customers as per their specifications and requirements;
- Effectively manage our working capital cycle and access to capital at reasonable cost

## SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Restated Financial Statements. For details of our significant accounting policies, please refer section titled “*Financial information*” on page 150 of this Draft Red Herring Prospectus.

## RESULTS OF OUR OPERATIONS

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements of Company for the financial year ended March 31, 2024, March 31, 2023, and March 31, 2022:

(₹ in lakhs)

Particulars	Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income
Revenue from Operations	1,53,490.41	99.88%	1,11,759.06	99.90%	85,865.83	99.21%
Other Income	178.38	0.12%	107.92	0.10%	681.63	0.79%
<b>Total Income</b>	<b>1,53,668.79</b>	<b>100.00%</b>	<b>1,11,866.98</b>	<b>100.00%</b>	<b>86,547.46</b>	<b>100.00%</b>
Purchase of Stock-in-trade	1,47,873.18	96.23%	1,21,964.27	109.03%	93,276.02	107.77%
Change in inventories of traded goods	(8,088.06)	-5.26%	(18,595.74)	-16.62%	(12,934.40)	-14.94%
Employee Benefits expenses	333.63	0.22%	268.81	0.24%	206.57	0.24%
Other Expenses	7,558.48	4.92%	4,519.45	4.04%	3,724.31	4.30%
<b>EBITDA</b>	<b>5,991.56</b>	<b>3.90%</b>	<b>3,710.19</b>	<b>3.32%</b>	<b>2,274.96</b>	<b>2.63%</b>
Finance costs	1,887.97	1.23%	1,535.41	1.37%	396.94	0.46%
Depreciation and Amortization expenses	19.02	0.01%	20.41	0.02%	9.86	0.01%
<b>Total Expenses</b>	<b>1,49,584.22</b>	<b>97.34%</b>	<b>1,09,712.61</b>	<b>98.07%</b>	<b>84,679.30</b>	<b>97.84%</b>
<b>Profit/(Loss) before tax</b>	<b>4,084.57</b>	<b>2.66%</b>	<b>2,154.37</b>	<b>1.93%</b>	<b>85,865.83</b>	<b>2.16%</b>
<b>Tax expense:</b>						
- Current Tax	1,073.41	0.70%	552.38	0.49%	483.21	0.56%
- Deferred Tax	(0.14)	0.00%	(0.72)	0.00%	(1.53)	0.00%
<b>Net Tax expenses</b>	<b>1,073.28</b>	<b>0.70%</b>	<b>551.66</b>	<b>0.49%</b>	<b>481.68</b>	<b>0.56%</b>
<b>Profit/(Loss) after tax</b>	<b>3,011.30</b>	<b>1.96%</b>	<b>1,602.71</b>	<b>1.43%</b>	<b>1,386.48</b>	<b>1.60%</b>

## PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS ACCOUNT

### *Total Income*

Our total income for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, were amounting to ₹ 1,53,490.41 lakhs, ₹ 1,11,759.06 lakhs & ₹ 85,865.83 lakhs respectively. Our revenue comprises of:

### *Revenue from operations*

Our revenue from operations comprises of revenue from sale of our products. Our revenue from operations accounted for 99.88%, 99.90% and 99.21% of our total income for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, respectively.

### *Other income*

Other income primarily comprises of interest income, insurance claims and storage and handling charges. Our other income accounted for 0.12%, 0.10% and 0.79% of our total income for financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, respectively.

## ***Expenses***

Our total expenses for financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 amounted to ₹ 1,49,584.22 lakhs, ₹ 1,09,712.61 lakhs and ₹ 84,679.30 lakhs respectively. Our expenses primarily consist of the following:

### ***Purchase of Stock-in-Trade***

Purchase of Stock-in-Trade consists of import and purchase of our products which amounted to ₹ 1,47,873.18 lakhs, ₹ 1,21,964.27 lakhs and ₹ 93,276.02 lakhs for financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 respectively accounting for 96.23%, 109.03% and 107.77% of the total income respectively.

### ***Change in Inventories of Traded Goods***

Change in Inventories of Traded Goods consist of changes in closing stock of our traded products which amounted to ₹ (8,088.06) lakhs, ₹ (18,595.74) lakhs and ₹ (12,934.40) lakhs for financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 respectively accounting for -5.26%, -16.62% and -14.94% of the total income respectively.

### ***Employee Benefits Expense***

Employee Benefits expenses primarily consist of salary & wages and staff welfare expenses. Employee Benefits expenses for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 amounted to ₹ 333.63 lakhs, ₹ 268.81 lakhs and ₹ 206.57 lakhs respectively which accounted to 0.22%, 0.24% and 0.24% of our total income respectively.

### ***Finance Costs***

Finance cost consists of interest on borrowings and other finance charges amounting to ₹ 1,887.97 lakhs, ₹ 1,535.41 lakhs and ₹ 396.94 lakhs for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 which accounted to 1.23%, 1.37% and 0.46% of our total income respectively.

### ***Depreciation and Amortization***

Depreciation and Amortization represents depreciation on our Property, Plant and Equipment. Depreciation and Amortization expense amounted to ₹ 19.02 lakhs, ₹ 20.41 lakhs and ₹ 9.85 lakhs for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 respectively which accounted to 0.01%, 0.02% and 0.01% of our total income respectively.

### ***Other Expenses***

Other expenses primarily include Import Charges, Legal & Professional Charges, Storage & Handling Charges, Freight & Forwarding Charges, Commission & Brokerage and other miscellaneous expenses. Other expenses for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 amounted to ₹ 7,558.48 lakhs, ₹ 4,519.45 lakhs and ₹ 3,724.31 lakhs respectively accounted for 4.92%, 4.04% and 4.30% of our total income respectively.

## **Financial Year 2024 compared to Financial Year 2023**

### ***Total Income***

Our total income increased by 37.37% from ₹ 1,11,866.98 lakhs in financial year ended March 31, 2023 to ₹ 1,53,668.79 lakhs in financial year ended March 31, 2024 primarily due to increase in sale of our products resulting into increase in revenue from operations.

### ***Revenue from operations***



Our revenue from operations increased by 37.34% from ₹ 1,11,759.06 lakhs in financial year ended March 31, 2023 to ₹1,53,490.41 lakhs in financial year ended March 31, 2024 primarily due to increase in sales volume and prices of our products along with expansion in products offering during the year.

#### *Other Income*

Other Income increased by 65.29% from ₹ 107.92 lakhs in financial Year ended March 31, 2023 to ₹ 178.38 lakhs in financial Year ended March 31, 2024 primarily due to increase in insurance claim received.

#### *Expenses*

Total expenses increased by 36.34% from ₹ 1,09,712.61 lakhs in financial Year ended March 31, 2023 to ₹ 1,49,584.22 lakhs in financial Year ended March 31, 2024 primarily due to increase in purchase of stock in trade, lower increase in closing stock of traded products as compared to previous financial year and increase in other expenses which is generally in line with expansion in business operations of the Company.

#### *Purchase of Stock in Trade*

Purchase of Stock in Trade increased by 21.24% from ₹ 1,21,964.27 lakhs in financial Year ended March 31, 2023 to ₹ 1,47,873.18 lakhs in financial Year ended March 31, 2024 primarily due to increase in sales volume and prices of our products along with expansion in products offering during the year.

#### *Change in inventories of traded goods*

Changes Change in inventories of traded goods increase by 56.51% from ₹ (18,595.74) lakhs in financial Year ended March 31, 2023 to ₹ (8,088.06) lakhs in financial Year ended March 31, 2024 primarily due to increase in closing Stock in trade.

#### *Employee Benefits Expense*

Employee Benefits Expense increased by 24.11% from ₹ 268.81 lakhs in financial Year ended March 31, 2023 to ₹ 333.63 lakhs in financial Year ended March 31, 2024 primarily due to general increase in salary & wages and provision for gratuity.

#### *Finance Costs*

Finance costs increased by 22.96% from ₹ 1,535.41 lakhs in the financial year ended March 31, 2023 to ₹ 1,887.97 lakhs in the financial year ended March 31, 2024 primarily due to increase in bank charges on account of increase in usance of non-fund based facilities in line with overall increase in business operations of the Company during the year.

#### *Depreciation and amortization*

Depreciation and amortisation expenses decreased by 6.81% from ₹ 20.41 lakhs in financial year ended March 31, 2023 to ₹ 19.02 lakhs in financial year ended March 31, 2024 on account of lower asset base as compared to previous financial year.

#### *Other Expenses*

Other expenses increased by 67.24% from ₹ 4,519.45 lakhs in financial year ended March 31, 2023 to ₹ 7,558.48 lakhs in financial year ended March 31, 2024 primarily on account of an increase in Import Charges from ₹ 1,076.45 lakhs in financial year 2023 to ₹ 1,832.10 lakhs in financial year 2024, Storage & Handling Charges from ₹ 1,886.46 lakhs in financial year 2023 to ₹ 3,615.10 lakhs in financial year 2024, Commission & Brokerages from ₹ 112.75 lakhs in financial year 2023 to ₹ 292.24 lakhs in financial year 2024, Legal & Professional Charges from ₹ 129.49 lakhs in financial year 2023 to ₹ 300.91 lakhs in financial year 2024 and other miscellaneous expenses from ₹ 99.33 lakhs in financial year 2023 to ₹ 480.25 lakhs in financial year 2024. The increase in other expenses is generally in line with expansion in our business operations.

## **Financial Year 2023 compared to Financial Year 2022**

### ***Total Income***

Our total income increased by 29.26% from ₹ 86,547.46 lakhs in financial year ended March 31, 2022 to ₹ 1,11,866.98 lakhs in financial year ended March 31, 2023 primarily due to increase in sale of our products resulting into increase in revenue from operations.

### ***Revenue from operations***

Our revenue from operations increased by 30.16% from ₹ 85,865.83 lakhs in financial Year ended March 31, 2022 to ₹ 1,11,759.06 lakhs in financial Year ended March 31, 2023 primarily due to increase in sales volume and prices of our products along with expansion in products offering during the year.

### ***Other Income***

Other Income decreased by 84.17% from ₹ 681.63 lakhs in financial Year ended March 31, 2022 to ₹ 107.92 lakhs in financial Year ended March 31, 2023 primarily due to decrease commission income from ₹ 340.12 lakhs in financial year 2022 to ₹ 0.84 lakhs in financial year 2023 and decrease in gain on forward contracts from ₹ 263.90 lakhs in financial year 2022 to ₹ Nil in financial year 2023.

### ***Expenses***

Total expenses increased by 29.56% from ₹ 84,679.30 lakhs in financial Year ended March 31, 2022 to ₹ 1,09,712.61 lakhs in financial Year ended March 31, 2023 primarily due to increase in purchase of stock in trade, increase in finance cost and increase in other expenses which is generally in line with expansion in business operations of the Company.

### ***Purchase of Stock in Trade***

Purchase of Stock in Trade increased by 30.76% from ₹ 93,276.02 lakhs in financial Year ended March 31, 2022 to ₹ 1,21,964.27 lakhs in financial Year ended March 31, 2023 primarily due to increase in sales volume and prices of our products along with expansion in products offering during the year.

### ***Change in inventories of traded goods***

Changes Change in inventories of traded goods decreased by 43.77% from ₹ (12,934.40) lakhs in financial Year ended March 31, 2022 to ₹ (18,595.74) lakhs in financial Year ended March 31, 2023 primarily due to increase in closing stock of our traded products.

### ***Employee Benefits Expense***

Employee Benefits Expense increased by 30.13% from ₹ 206.57 lakhs in financial Year ended March 31, 2022 to ₹ 268.81 lakhs in financial Year ended March 31, 2023 primarily due to general increase in salary & wages and provision for gratuity.

### ***Finance Costs***

Finance costs increased by 286.81% from ₹ 396.94 lakhs in the financial year ended March 31, 2022 to ₹ 1,535.41 lakhs in the financial year ended March 31, 2023 primarily due to increase in bank charges on account of increase in usance of non-fund based facilities in line with overall increase in business operations of the Company and increase in short-term borrowings during the year.

### ***Depreciation and amortization***

Depreciation and amortisation expenses increased by 107.00% from ₹ 9.85 lakhs in financial year ended March

31, 2022 to ₹ 20.41 lakhs in financial year ended March 31, 2023 on account of increase in asset base due to addition of movable assets during the financial year.

#### *Other Expenses*

Other expenses increased by 21.35% from ₹ 3,724.31 lakhs in financial year ended March 31, 2022 to ₹ 4,519.45 lakhs in financial year ended March 31, 2023 primarily on account of an increase in Storage & Handling Charges from ₹ Nil in financial year 2022 to ₹ 1,886.46 lakhs in financial year 2023 and Commission & Brokerages from ₹ 0.40 lakhs in financial year 2022 to ₹ 112.75 lakhs in financial year 2023. The said increase was partially off-set by decrease in Freight & Forwarding Charges from ₹ 2,346.23 lakhs in financial year 2022 to ₹ 980.32 lakhs in financial year 2023 and decrease in import charges from ₹ 1,098.42 lakhs in financial year 2022 to ₹ 1,076.45 lakhs in financial year 2023. The overall increase in other expenses is generally in line with expansion in our business operations.

#### **Cash flows**

The following table sets forth our cash flows for the period indicated:

	<i>(₹ in lakhs)</i>		
<b>Particulars</b>	<b>Fiscal 2024</b>	<b>Fiscal 2023</b>	<b>Fiscal 2022</b>
Net cash flow from/ (used in) operating activities	5,833.86	(16,249.62)	2,825.08
Net cash flow from/ (used in) investing activities	(8.35)	(78.17)	(29.08)
Net cash flow from/ (used in) financing activities	(1,137.11)	19,344.65	6,053.68
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,688.40</b>	<b>3,016.87</b>	<b>8,849.69</b>
Cash and cash equivalents at the beginning of the year	13,379.35	10,362.48	1,512.79
<b>Cash and cash equivalents at the end of the year</b>	<b>18,067.75</b>	<b>13,379.35</b>	<b>10,362.48</b>

#### **Operating Activities**

##### **Financial Year 2023-24**

Our net cash generated from operating activities was ₹ 5,833.86 lakhs for the financial year ended March 31, 2024. Our operating profit before changes in working capital changes was ₹ 5,989.50 lakhs which was primarily adjusted against increase in trade receivables by ₹ 5,708.57 lakhs, loans and advances by ₹ 1,156.51 lakhs, inventories by ₹ 8,088.06 lakhs, and current liabilities by ₹ 15,870.91 lakhs, respectively.

##### **Financial Year 2022-23**

Our net cash used in operating activities was ₹ 16,249.62 lakhs for the financial year ended March 31, 2023. Our operating profit before changes in working capital changes was ₹ 3,708.03 lakhs, which was primarily adjusted against increase in loans and advances by ₹ 1,332.58 lakhs, inventories by ₹ 18,595.74 lakhs and decrease in trade receivables by ₹ 5,314.42 lakhs and current liabilities by ₹ 4,791.37 lakhs, respectively.

##### **Financial Year 2021-22**

Our net cash used in operating activities was ₹ 2,825.08 lakhs for the financial year ended March 31, 2022. Our operating profit before changes in working capital changes was ₹ 2,270.23 lakhs which was primarily adjusted against increase in loans and advances by ₹ 823.73 lakhs, inventories by ₹ 12,934.40 lakhs, trades receivables by ₹ 4,049.15 lakhs, and current liabilities by ₹ 18,845.34 lakhs, respectively.

#### **Investing Activities**

##### **Financial Year 2023-24**

Our net cash used in investing activities was ₹ 8.35 lakhs for the financial year ended March 31, 2024. It was on

account of purchase of Property, Plant & Equipment amounting to ₹ 10.41 lakhs, and off-setted against interest income of ₹ 2.06 lakhs.

#### **Financial Year 2022-23**

Our net cash used in investing activities was ₹ 78.16 lakhs for the financial year ended March 31, 2023. It was on account of increase in Property, Plant & Equipment amounting to ₹ 80.32 lakhs, and off-setted against interest income of ₹ 2.16 lakhs.

#### **Financial Year 2021-22**

Our net cash used in investing activities was ₹ 29.08 lakhs for the financial year ended March 31, 2022. It was on account of purchase of Property, Plant & Equipment amounting to ₹ 33.81 lakhs, and off-setted against interest income of ₹ 4.73 lakhs.

#### **Financing Activities**

##### **Financial Year 2023-24**

Net cash used in financing activities for the financial year ended March 31, 2024 was ₹ 1,137.11 lakhs which was on account of proceeds from issuance of equity shares amounting to ₹ 4,000.00 lakhs which was off-setted by repayment of short term & long term borrowings amounting to ₹ 3,249.14 lakhs and finance cost of ₹ 1,887.97 lakhs.

##### **Financial Year 2022-23**

Net cash generated from financing activities for the financial year ended March 31, 2023 was ₹ 19,344.65 lakhs which was on account of increase in short term & long term borrowings amounting to ₹ 20,880.06 lakhs which was off-setted by finance cost of ₹ 1,535.41 lakhs.

##### **Financial Year 2021-22**

Net cash generated from financing activities for the financial year ended March 31, 2022 was ₹ 6,053.68 lakhs which was on account of proceeds from issuance of equity shares amounting to ₹ 6,520.00 lakhs which was off-setted by repayment of short term & long term borrowings amounting to ₹ 69.38 lakhs and finance cost of ₹ 396.94 lakhs.

#### **Quantitative and Qualitative Disclosures about Market Risk**

Market risk is the risk of loss related to adverse changes in market prices, including interest rates. In the normal course of business, we are exposed to certain market risks including interest risk.

##### **Interest rate risk**

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. Our operations are funded to a certain extent by borrowings. Our current loan facilities carry interest at variable rates as well as fixed rates. We mitigate risk by structuring our borrowings to achieve a reasonable, competitive cost of funding. There can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

##### **Liquidity risk**

Adequate and timely cash availability for our operations is the liquidity risk associated with our operations. Our Company's objective is to all time maintain optimum levels of liquidity to meet its cash and collateral requirements. We employee prudent liquidity risk management practices which inter-alia means maintaining

sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

### **Credit Risk**

We are exposed to the risk that our counterparties may not comply with their obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables.

We consider our customers to be creditworthy counterparties, which limits the credit risk, however, there can be no assurance that our counterparties may not default on their obligations, which may adversely affect our business and financial condition.

### **Material Frauds**

There are no material frauds committed against our Company in the last three financials year.

### **Unusual or Infrequent Events or Transactions**

Except as described elsewhere in this Draft Red Herring Prospectus, there have been no events or transactions to our knowledge which may be described as “unusual” or “infrequent”.

### **Significant economic/regulatory changes**

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company’s operations or are likely to affect income except as mentioned in the section titled “*Risk Factors*” on page 30 of this Draft Red Herring Prospectus.

### **Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations**

Other than as described in the section titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” on pages 30 and 179, respectively, of this Draft Red Herring Prospectus, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

### **Future changes in the relationship between costs and revenues**

Other than as described in the section titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” on pages 30 and 179 respectively, and elsewhere in this Draft Red Herring Prospectus, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company’s future costs and revenues will be determined by demand/supply situation, government policies and other economic factors.

### **New products or Business segments**

Except as disclosed in this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products/ services or business segment.

### **Competitive Conditions**

We expect competition in our business from existing and potential competitors to intensify. We face competition from both organised and unorganised players in the market. We believe our expertise and quality service offerings with distinguished experience will be key to overcome competition posed by such players. We believe that the

principal factors affecting competition in our business include client relationships, reputation, and the quality and pricing of our services.

### **Seasonality of Business**

Except as mentioned in this chapter, our business is not subject to seasonal variations.

### **Significant Dependence on a Single or Few Suppliers or Customers**

For fiscal 2024, fiscal 2023 and fiscal 2022, our top five customers accounted for 11.46%, 8.53%, and 9.73%, respectively, and our largest customer accounted for 4.54%, 3.19%, and 3.21% of our revenue from operations, respectively.

### **Related Party Transactions**

We enter into various transactions with related parties in the ordinary course of business. For further information relating to our related party transactions see “*Restated Financial Statements*” on page 150.

### **Material Developments subsequent to March 31, 2024**

Except as disclosed below and elsewhere in Draft Red Herring Prospectus, no circumstances have arisen since March 31, 2024, being the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months:

1. Pursuant to the shareholders resolution dated June 11, 2024, company was converted to public limited company and the name of Company changed from “Shiv Texchem Private Limited” to “Shiv Texchem Limited” and a fresh Certificate of Incorporation dated July 05, 2024 consequent to the conversion was issued by Registrar of Companies, Mumbai.
2. Pursuant to Board Resolution dated July 08, 2024, approved the change in designation of Vikas Pavankumar to Managing Director & Chairperson, Hemanshu S. Chokhani to Wholetime Director, Shyamsundar Chokhani to Wholetime Director and Neha Hemanshu Chokhani to Wholetime Director for 5 years with effect from July 08, 2024. The appointment was regularized via ordinary resolution passed in annual general meeting held on July 10, 2024.
3. Pursuant to Board Resolution dated July 08, 2024, approved appointment of Sushil Kumar Relan, Girdhari Lal Kundalwal, and Rajen Hemchand Gada as Additional Independent Director for a period of 5 years with effect from July 08, 2024. The appointment was regularized via ordinary resolution passed in annual general meeting held on July 10, 2024.
4. Pursuant to Board Resolution dated April 02, 2024, the authorized share capital of the Company was increased from ₹ 300 lakhs divided into 30,00,000 equity shares of ₹ 10/- each to ₹ 2,500.00 lakhs divided into 2,50,00,000 equity shares of ₹ 10/- each by alteration of clause 5 of memorandum of articles of the Company. The increase in authorised capital was approved by the shareholders in extra-ordinary general meeting held on April 02, 2024.
5. Hemanshu S. Chokhani (Whole-time Director) was appointed as Chief Financial Officer and Dinky Raju Jain was appointed as Company Secretary and Compliance Officer with effect from July 08, 2024.
6. The Company issued and allotted Bonus Shares in ratio of 7:1 i.e., seven equity shares for every one equity shares held by the shareholders of the Company. The same was approved by the shareholders in extra-ordinary general meeting held on July 11, 2024 and the equity shares pursuant to the bonus issue was allotted on July 11, 2024.
7. The Company received letters from HDFC Bank on May 30, 2024 for enhancement of credit facilities from ₹ 19,126.71 lakhs to ₹ 21,626.71 lakhs and from Yes Bank on June 14, 2024 for enhancement of credit facilities from ₹ 4,800.00 lakhs to ₹ 7,300.00 lakhs

## CAPITALISATION STATEMENT

*(in ₹ lakhs)*

Particulars	Pre- Issue at 31 <sup>st</sup> March 2024	As adjusted for the proposed Issue <sup>^</sup>
<b>Total borrowings</b>	<b>29,665.25</b>	<b>[●]</b>
Current borrowings	22,619.33	[●]
Non-current borrowings (including current maturity and interest accrued and due on borrowings)	7,045.92	[●]
<b>Total equity</b>	<b>19,287.69</b>	<b>[●]</b>
Equity share capital	213.33	[●]
Other equity	19,074.36	[●]
<b>Total Capital</b>		<b>[●]</b>
Ratio: Non-current borrowings/ Total equity	0.37	[●]
Ratio: Total borrowings / total equity	1.54	[●]

<sup>^</sup> to be updated in Prospectus on finalization of issue price.

## FINANCIAL INDEBTEDNESS

Category of Borrowings	Sanction Amount	Amount outstanding
<b>A) Long-term borrowings</b>	-	-
<i>Secured</i>	-	-
Term Loans from Banks & Financial Institutions	NIL	NIL
Vehicle / Equipment Loans from Banks & Financial Institutions	NIL	NIL
<i>Unsecured</i>		
Term Loans from Banks & Financial Institutions	2,008.58	1,291.32
Loans and Advances from related parties	-	3,990.71
Loans and Advances from others	-	1,400.07
<b>Sub Total (A)</b>	<b>2,008.58</b>	<b>6,682.10</b>
<b>B) Short-term borrowings*</b>		
<i>Secured</i>		
Current Maturity of Long Term Debts	-	363.82
Working Capital facilities from Banks & Financial Institutions	33,200.00	22,619.33
<b>Sub Total (B)</b>	<b>33,200.00</b>	<b>22,983.15</b>
<b>TOTAL (A)+(B)</b>	<b>35,208.58</b>	<b>29,665.25</b>

*\*Including Current Maturities of Long Term Borrowings*

*Notes:*

- Term Loan from bank consists of Guaranteed Emergency Credit Line for which 100% guarantee is provided by National Credit Guarantee Trustee Company. These credit limits are availed in form of additional working capital term loan facility from HDFC bank, Axis Bank and ICICI bank. The repayment term of these facilities ranges from 4-5 years.
- The Company received letters from HDFC Bank on May 30, 2024 for enhancement of credit facilities from ₹ 19,126.71 lakhs to ₹ 21,626.71 lakhs and from Yes Bank on June 14, 2024 for enhancement of credit facilities from ₹ 4,800 lakhs to ₹ 7,300 lakhs.



Sr No.	Name of the Lender	Nature of Borrowings	Sanctioned Amount as on March 31, 2024 (₹ in lakhs)	Nature of loan (Secured / Unsecured)	Outstanding Amount as on March 31, 2024 (₹ in lakhs)*	Interest Rate p.a./ Commission	Security/ Margin	Period of Repayment
1.	Axis Bank	Various fund-based and non-fund based	5000.00	Secured	2,665.69	Rate of Interest – 9% to 11%	Annexure 1	Annually/On demand
2.	Citibank NA	working capital facilities including	8000.00	Secured	426.37	Rate of Interest – 9% to 11%		Annually/On demand
3.	CSB Bank Limited	Cash Credits, Bank Guarantees,	3000.00	Secured	2,997.29	Rate of Interest – 9% to 11%		Annually/On demand
4.	Federal Bank	Working Capital Demand Loans,	3500.00	Secured	67.09	Rate of Interest – 9% to 11%		Annually/On demand
5.	HDFC Bank	Letter of Credit, Foreign Currency	11300.00	Secured	3,915.14	Rate of Interest – 9% to 11%		Annually/On demand
6.	ICICI Bank	Demand Loan, Buyer's Credit	3000.00	Secured	(7.01)	Rate of Interest – 9% to 11%		Annually/On demand
7.	IDFC Bank		4500.00	Secured	15.97	Rate of Interest – 9% to 11%		Annually/On demand
8.	IndusInd Bank		3000.00	Secured	1,068.96	Rate of Interest – 10% to 11%		Annually/On demand
9.	Kotak Mahindra Bank		5000.00	Secured	306.76	Rate of Interest – 9% to 11%		Annually/On demand
10.	Punjab National Bank		2800.00	Secured	(3.61)	Rate of Interest – 9% to 11%		Annually/On demand
11.	State Bank of India		5000.00	Secured	3,985.93	Rate of Interest – 9% to 11%		Annually/On demand
12.	Union Bank of India		3000.00	Secured	2,987.60	Rate of Interest – 9% to		Annually/On demand

Sr No.	Name of the Lender	Nature of Borrowings	Sanctioned Amount as on March 31, 2024 (₹ in lakhs)	Nature of loan (Secured / Unsecured)	Outstanding Amount as on March 31, 2024 (₹ in lakhs)*	Interest Rate p.a./ Commission	Security/Margin	Period of Repayment
13.	Yes Bank		4800.00	Secured	4,193.15	11% Rate of Interest – 9% to 11%		Annually/On demand

*\*This excludes bills payable amounting to ₹ 25,740.10 lakhs in form of letter of credit/standby letter of credit issued by the banks to our supplier for purchase of goods. The same has been disclosed under the head “Restated Statement of Trade Payables” under Current Liabilities.*

## Appendix – 1

Sr No	Name of Lender	Security Provided
1.	Axis Bank	<p>A first pari passu charge on all the current assets (present and future) of the company.</p> <p>Cash collateral in form of FDs of Rs 14 Cr (existing) and additional Rs 3.50 Cr</p> <p>The company to maintain minimum collateral coverage of 0.35% throughout the tenor of facility</p> <p>Personal Guarantee of Mr. Shyamsundar Chokhani, Mr. Hemanshu S. Chokhani, Mrs. Manjudevi Shyamsundar Chokhani, Mrs. Neha Hemanshu Chokhani and Mr. Vikas Pavankumar</p> <p>Corporate Guarantee of M/s. Pavankumar Sanwaria Realty Private Limited and M/s. Hemanshu Syntex Private Limited</p>
2.	Citibank NA	<p>A first Paripassu Charge on Current Assets (Stock and Book debts) of the Borrower</p> <p>Lien on Fixed Deposits of 35% of total limit.</p> <p>Personal Guarantee of Mr. Shyamsundar Chokhani, Mr. Hemanshu S. Chokhani, Mrs. Manjudevi Shyamsundar Chokhani and Mr. Vikas Pavankumar</p> <p>Corporate Guarantee of M/s. Pavankumar Sanwaria Realty Private Limited and M/s. Hemanshu Syntex Private Limited</p>
3.	CSB Bank Limited	<p>Pari Passu first charge on the entire current assets (present and future) of the Company along with existing lenders</p> <p>Personal Guarantee of Mr. Shyamsundar Chokhani, Mr. Hemanshu S. Chokhani, Mrs. Neha Hemanshu Chokhani, Mrs. Manjudevi Shyamsundar Chokhani, Mr. Vikas Pavankumar.</p> <p>Corporate Guarantee of Hemanshu Syntex Private Limited and Pavankumar Sanwaria Realty Private Limited</p>
4.	Federal Bank	<p>First Pari Passu hypothecation charge on entire current and movable fixed assets of the Company with existing lenders</p> <p>Documents to title of goods</p> <p>Exclusive charge on fixed deposit receipts – 35% of limit</p> <p>Personal Guarantee of Mr. Shyamsundar Chokhani, Mr. Hemanshu S. Chokhani, Mrs. Neha Hemanshu Chokhani, Mrs. Manjudevi Shyamsundar Chokhani, Mr. Vikas Pavankumar.</p> <p>Corporate Guarantee of Hemanshu Syntex Private Limited and Pavankumar Sanwaria Realty Private Limited</p>
5.	HDFC Bank	<p>Hypothecation by way of Pari Passu charge in all present and future stocks and book debts with existing lenders</p> <p>Extension of charge on property at Flat 201 &amp; 202, 2nd Floor, Tilak Road, Santacruz, Asha Parekh Hospital, Mumbai – 400 054</p> <p>Equitable mortgage of property at 216 Kamla Space, Khira Nagar, Santacruz, Mumbai – 400 054</p>

Sr No	Name of Lender	Security Provided
		Equitable mortgage of property at 601, 6th floor, A Wing, New Cuffe Parade, Wadala Link Road, Wadal East – 400 022
		Equitable mortgage of property at Flat No 3603, 36 <sup>th</sup> floor, B-wings, Senapati Bapat Marg, Tower No 5, Kiara the Park, Worli, Lower Parel (W) - 400018
		Fixed Deposits
		Personal Guarantee of Mr. Shyamsundar Chokhani, Mr. Hemanshu S. Chokhani, Mrs. Neha Hemanshu Chokhani, Mrs. Manjudevi Shyamsundar Chokhani, Mr. Vikas Pavankumar.
		Corporate Guarantee of Hemanshu Syntex Private Limited and Pavankumar Sanwaria Realty Private Limited
6.	ICICI Bank	First Pari Passu charge on current assets and exclusive charge on fixed deposits
		Personal Guarantee of Mrs Manjudevi Shyamsundar Chokhani, Mr Vikas Pavankumar, Mr Hemanshu S. Chokhani, Mr Shyamsundar Chokhani.
		Corporate Guarantee of Pavankumar Sanwaria Realty Private Limited and Hemanshu Syntex Private Limited
7.	IDFC Bank	35% cash cover in the form of lien marked FDs of IDFC FIRST Bank
		1st Pari-passu charge on Current assets; Other Current assets; Book Debt / Receivables of the company both present and Future.
		Personal Guarantee of Mr. Shyamsundar Chokhani, Mr. Hemanshu S. Chokhani, Mrs. Manjudevi Shyamsundar Chokhani, Mrs. Neha Hemanshu Chokhani and Mr. Vikas Pavankumar.
		Corporate Guarantee of Hemanshu Syntex Private Limited and Pavankumar Sanwaria Realty Private Limited.
8.	IndusInd Bank	First pari passu charge on current assets of the Company along with existing lenders and first pari passu charge on movable fixed assets
		First and exclusive charge on Fixed deposit of Rs 9.50 Cr
		Personal Guarantee of Mr. Shyamsundar Chokhani, Mr. Himanshu S. Chokhani, Mrs. Neha Hemanshu Chokhani, Mrs. Manjudevi Shyamsundar Chokhani, Mr. Vikas Pavankumar.
		Corporate Guarantee of Hemanshu Syntex Private Limited and Pavankumar Sanwaria Realty Private Limited
9.	Kotak Mahindra Bank	First Pari Passu hypothecation charge with existing banks on all existing and future current assets of the Borrower.
		Exclusive charge on Fixed Deposit of ₹ 17.50 Crs thereby maintain minimum collateral cover at 0.35x. Fixed Deposits to be owned by borrower company & minimum 0.35x cover to be maintained at all time in form of FDR
		Personal Guarantees of Mr. Shyamsundar Chokhani, Mr. Hemanshu S. Chokhani, Mrs. Manjudevi Shyamsundar Chokhani, Mr. Vikas Pavankumar & Mrs. Neha Hemanshu Chokhani.
		Corporate guarantee/s of Hemanshu Syntex Pvt. Ltd. & Pavankumar Sanwaria Realty

Sr No	Name of Lender	Security Provided
		Pvt Ltd
10.	Punjab National Bank	Lien of FDR of ₹ 5 crore for collateral security Personal Guarantees of Mr. Shyam Sundar Chokhani, Mr. Hemanshu S. Chokhani, Mrs. Manjudevi Shyamsundar Chokhani, Mr. Vikas Pavankumar & Mrs. Neha Chokhani.  Corporate guarantee/s of Hemanshu Syntex Private Limited & Pavankumar Sanwaria Realty Private Limited
11.	State Bank of India	Fixed Deposit of ₹ 17.50 crore and hypothecation of stock and receivables  Personal Guarantees of Mr. Shyamsundar Chokhani, Mr. Hemanshu S. Chokhani, Mrs. Manjudevi Shyamsundar Chokhani, Mr. Vikas Pavankumar & Neha Hemanshu Chokhani.
12.	Union Bank of India	First pari passu charge on entire current assets, hypothecation of stock of goods received under LC and hypothecation of title to goods.  Fixed Deposit of ₹ 9.00 crore and additional FDR of ₹ 0.30 Cr  Personal Guarantee by Mr Hemanshu S. Chokhani, Mr Shyamsundar Chokhani, Mr Vikas Pavankumar, Mrs Manjudevi Shyamsundar Chokhani and Mrs Neha Hemanshu Chokhani  Corporate Guarantee by Pavan Kumar Sanwaria Realty Private Limited and Hemanshu Syntex Private Limited
13.	Yes Bank	First charge pari passu by way of hypothecation on current assets, present and future  Sole charge by way of Lien on FDR/Cash Deposits amounting to ₹ 16.80 Cr  UDC of the facility amount  Personal Guarantee by Mr Hemanshu S. Chokhani, Mr Shyamsundar Chokhani, Mr Vikas Pavankumar, Mrs Manjudevi Chokhani and Mrs Neha Hemanshu Chokhani  Corporate Guarantee by Pavan Kumar Sanwaria Realty Pvt Ltd and Hemanshu Syntex Pvt Ltd

#### Restrictive Covenants:

Many of the financing agreements of the Company include various restrictive conditions and covenants restricting certain corporate actions and the Company is required to take prior approval of the lender before carrying out such activities. For instance, the Company, inter alia, is required to obtain prior written consent in the following instances:

1. to declare and/or pay dividend to any of its shareholders during the financial year unless the Company has paid to the lender the dues payable by the Company;
2. to borrow or obtain credit facilities from any bank or financial institution;
3. sell, assign, mortgage or otherwise dispose of any of the assets charged by the bank;
4. to alter its capital structure

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no: (i) outstanding criminal proceedings (including first information reports, whether cognizance has been taken or not, initiated by or against our Company, Directors, Promoters and Group Companies); (ii) outstanding actions taken by statutory or regulatory authorities; (iii) outstanding claims relating to direct and indirect taxes; (iv) outstanding disciplinary actions including penalties imposed by SEBI or Stock Exchanges against the Promoters in the last five financial years, including any outstanding action; or (v) Material Litigation (as defined below); involving our Company, Directors, Promoters and Group Companies.*

*For the purposes of (iv) above, in terms of the Materiality Policy adopted by our Board pursuant to a resolution dated July 08, 2024, any pending litigation / arbitration proceedings involving the Relevant Parties shall be considered “material” for the purposes of disclosure in this Draft Red Herring Prospectus, if:*

- (a) The aggregate monetary claim/ dispute amount/ liability made by or against the Relevant Parties in any such pending litigation (individually or in aggregate), is equivalent to or above 5 % of the Average of Absolute Value of profit or loss after tax of our Company, as per the last three completed fiscal years of the Restated Financial Statements (amounting to ₹100 lakhs);*
- (b) Any such pending litigation / arbitration proceeding involving the Relevant Parties, which may have a material adverse impact on the business, operations, performance, prospects, financial position or reputation our Company; and*
- (c) any such litigation wherein a monetary liability is not determinable or quantifiable, or which does not fulfil the threshold as specified in (a) or (b) above, as applicable, or wherein our Company is not a party, but the outcome of which could, nonetheless, have a material effect on the business, operations, performance, prospects, financial position or reputation of our Company.*

*Further, it is clarified that for the purpose of the above, any tax litigation which involves a claim greater than the materiality threshold as defined above, will be disclosed individually and pre-litigation notices received by our Company, or Directors or Promoters or Group Companies from third parties shall in no event be considered as litigation until such time that our Company or Directors or Promoters or Group Companies are impleaded as defendants in litigation proceedings before any judicial forum and accordingly have not been disclosed in this section.*

*Our Board of Directors considers dues owed by our Company to the small-scale undertakings and other creditors exceeding 5 % of the Average of Absolute Value of profit or loss after tax of our Company, as per the last three completed fiscal years of the Restated Financial Statements (amounting to ₹100 lakhs); as material dues for the Company. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on July 09, 2024. Further, for outstanding dues to any party which is a micro, small or a medium enterprise (“MSME”), the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditors.*

#### **I. Litigation involving our Company**

##### **A. Litigation filed against our Company**

###### **1. Criminal proceedings**

Nil

###### **2. Outstanding actions by regulatory and statutory authorities**

Nil

###### **3. Material civil proceedings**

***Junan Resources (Hong Kong) Co. Limited vs. Shiv Texchem Private Limited***

Junan Resources (Hong Kong) Co. Limited (“Petitioner”) filed a petition under section 9 of the Arbitration and Conciliation Act, 1996 against Shiv Texchem Limited (*formerly known as Shiv Texchem Private Limited*) (“**Our Company**”) in the Hon’ble High Court of Mumbai. The Petitioner claims that our Company had agreed to purchase various quantities of acetic acid, butyl acrylate and vinyl acetate monomer from the Petitioner. The Petitioner executed the contract for the same and our Company was dutybound to open an irrevocable Letter of Credit in favour of the Petitioner.

The Petitioner claimed that our Company has failed to open an irrevocable Letter of Credit in favour of the Petitioner and in turn failed to honour the contract. The Petitioner therefore claimed liquidated damages against our Company of the sum of USD 1,337,950 along with the claim for the difference between the contractual value and the actual sales price. The Petitioner claimed that our Company has failed to honour the Petitioner’s claim and hence, the Petitioner filed the suit in the Hon’ble Court of Bombay seeking the amount of USD 1,637,950.

B. *Litigation filed by our Company*

1. Criminal proceedings

***Shiv Texchem Private Limited vs R.B Chemicals and Others SCC 5800198 of 2024***

Shiv Texchem Limited (*formerly known as Shiv Texchem Private Limited*) (“**Complainant**”) filed a complaint under section 138, read with section 141 and 142 of the Negotiables Instruments Act, 1881 (as amended up to date) against R. B chemicals and others (the “**Respondents**”) before the Hon’ble Metropolitan Magistrate Court at Bandra. The Complainant claims that the Respondents approached the Complainant for business purposes, which the Complainant accepted and agreed to supply the goods.

The Complainant in exchange of goods raised an invoice of ₹1,71,97,095.80 (Rupees One Crore Seventy-One Lakhs Ninety-Seven Thousand Ninety-Five and Eighty Paise). In lieu of the outstanding amount, the Respondents issued five cheques in the name of the Complainant amounting to ₹1,59,74,562/- (Rupees One Crore Fifty-Nine Lakhs Seventy-Four Thousand Five Hundred Sixty-Two, however, the cheques were returned unpaid with the endorsement “Payment stopped by the Drawer.” Hence, the Complainant filed the present complaint for the repayment of the outstanding amount along with an interest of 12% per annum. The matter is currently in “verification” stage and the next date of the proceeding is July 26, 2024.

2. Material civil proceedings

Nil

C. *Tax proceedings*

<i>(₹ in lakhs)</i>		
<b>Particulars</b>	<b>Number of cases</b>	<b>Amount</b>
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

**II. Litigation involving our directors (except Promoters)**

A. *Litigation filed against our directors*

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Material civil proceedings

Nil

**B. *Litigation filed by our directors***

1. Criminal proceedings

Nil

2. Material civil proceedings

Nil

**C. *Tax proceedings***

		<i>(₹ in lakhs)</i>
<b>Particulars</b>	<b>Number of cases</b>	<b>Amount</b>
Direct Tax	2	7.44
Indirect Tax	Nil	Nil
<b>Total</b>	<b>2</b>	<b>7.44</b>

**III. *Litigation involving our Promoters (excluding our Directors)***

**A. *Litigation filed against our Promoters***

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Material civil proceedings

Nil

**B. *Litigation filed by our Promoters***

1. Criminal proceedings

Nil

2. Material civil proceedings

***Vikas Pavankumar and Others vs Rameshkumar Ramkishan Hetamsaria and Others- Suit No. 2124 of 2012***

Pavankumar Sanwarmal, father of Vikas Pavankumar (“**Plaintiff**”) filed a suit against Rameshkumar Ramkishan Hetamsari and Others (“**Defendants**”) in the Hon’ble High Court at Bombay. The Plaintiff claims that he is the lawful owner of the suit premises and that the Defendants have wrongfully taken possession of the premises and are now refusing to vacate the premises. Vikas Pavankumar, our Director filed a chamber summon after the death of the Plaintiff to bring him on record as the legal heir. The



Hon'ble High Court vide Chamber Order dated January 23, 2018 has transferred the matter in the City Civil Court at Greater Bombay. The matter is currently pending and the next hearing date is August 5, 2024.

C. *Tax proceedings*

(₹ in lakhs)

Particulars	Number of cases	Aggregate amount involved
Direct Tax	2	1.97
Indirect Tax	Nil	Nil
<b>Total</b>	<b>2</b>	<b>1.97</b>

**Outstanding dues to creditors**

As on the date of restated financials, our Company has no amount payable or outstanding towards small-scale undertakings. Details of amounts outstanding to our creditors is as follows:

Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at March 31, 2024, by our Company, are set out below and the disclosure of the same is available on the website of our Company at: [www.shivtexchem](http://www.shivtexchem)

(₹ in Lakhs)

S. No.	Type of creditor	No. of cases	Amount outstanding
1.	Dues to micro, small and medium enterprises	NIL	NIL
2.	Dues to Material Creditor(s) (as defined below)	9	1,832.53
3.	Dues to other creditors	64	191.69
	<b>Total</b>	<b>73</b>	<b>2,024.22</b>

*Note: This excludes the outstanding amount of Bills Payables amounting to ₹ 25,740.10 lakhs as on March 31, 2024*

**Material Developments**

Other than as stated in the section entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Material Developments Subsequent to March 31, 2024*” on page 187 of this Draft Red Herring Prospectus, there have not arisen, since the date of the last Restated Financial Information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS

Except as disclosed herein, our Company has obtained all material consents, licenses, permissions, registrations, and approvals from relevant governmental, statutory and regulatory authorities in India, which are necessary for undertaking our Company's business. We have set out below a list of material approvals, consents, licenses and permissions from various governmental and regulatory authorities obtained by our Company which are considered material and necessary for the purpose of undertaking our business activities and operations. Unless otherwise stated, these material approvals are valid as on the date of this Draft Red Herring Prospectus.

We require to obtain licenses and approvals on a project-to-project basis contingent on the chemical imported or exported by us. We have, in the past obtained no-objection certificates from the Central Bureau of Narcotics for imports of Methyl Ethyl Ketone and will continue to do so in case the chemical is a regulated substance.

Further, the approvals we have obtained are still in our previous' Company's name, "Shiv Texchem Private Limited." We have applied for change of name to effect our current name post conversion, but have not obtained a response for the same.

For details in connection with the regulatory and legal framework within which our Company operates in India, see "Key Regulations and Policies" on page 120. For Issue related approvals, see "Other Regulatory and Statutory Disclosures" on page 202 and for incorporation details of our Company, see "History and Certain Corporate Matters" on page 126.

### I. Approvals in relation to the Issue

For details of approvals and authorizations in relation to the Issue, see "Other Regulatory and Statutory Disclosures -Authority for the Issue" on page 202

### II. Material approvals obtained in relation to our business and operations

#### A. Incorporation details of our Company

- a. Certificate of Incorporation issued by the Ministry of Corporate Affairs, Government of India under the Companies Act 1956, in the name Shiv Texchem Private Limited, bearing CIN - U24110MH2005PTC952341.
- b. Fresh Certificate of Incorporation dated July 05, 2024, issued to our Company by the RoC, pursuant to the conversion of our Company from private limited to public limited and ensuing change in the name of our Company from 'Shiv Texchem Private Limited' to 'Shiv Texchem Limited.'

#### B. Material approvals in relation to our business and operations

Sr No	Date of Issue/renewal	Licensing Authority	Particulars of the License	License/Registration Number.	Date of expiry
1.	October 01, 2022	Food Safety and Standards Authority of India (FSSAI) License.	Food Safety and Standards Authority of India (FSSAI) Food Safety Compliance System (FoSCoS)	10220930104014 326	Valid till Cancelled
2.	November 23, 2022	Office of the Assistant Commissioner-Food & Drugs Administration-State of Maharashtra.	License Retention Letter under the Poisons Act, 1919 the Maharashtra Poisons Rules, 1972	446613	December 31, 2024

Sr No	Date of Issue/renewal	Licensing Authority	Particulars of the License	License/Registration Number.	Date of expiry
3.	February 12, 2022	Office of Superintendent of Narcotics and Excise- State of Gujarat.	MA-II License for sale and trade of specified chemicals.	NA	February 2, 2023
4.	March 09, 2022	Additional District Magistrate Kuchh, Bhuj, Gujarat.	Form of license issued under the rules made under section 2 of the Poison Act 1919 permitting sale and trade of Methanol.	NA	December 31, 2023
5.	February 15, 2023	District Magistrate Kuchh, Bhuj, Gujarat	Solvent License permitting the use of solvent C9- Hexane.	NA	October 24, 2024
6.	August 05, 2020	The Office of Additional Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India	Certificate of Importer-Exporter Code.	AAICS8906N.	Valid till Cancelled
8.	June 29, 2024	The Labour Department, Government of National Capital Territory of Delhi	Shop and Establishment License issued under Delhi Shops and Establishment Act 1954.	2024139145	Valid till Cancelled

**C. Tax approvals in relation to our business-**

Sr. No	Date of Issue	Licensing Authority	Particulars of the License	License/Registration Number.	Date of Expiry
1.	March 31, 2005	Income Tax Department	Permanent account number issued under the Income Tax Act, 1961.	AAICS8906N	Valid till Cancelled
2.	May 17, 2005	Income Tax Department	Tax deduction account number issued under the Income Tax Act, 1961.	MUMS47572A	Valid till Cancelled
3.	July 1, 2017	The Government of India	Goods and services tax registration in the State of Maharashtra under the Goods and Service Tax Act, 2017.	27AAICS8906N2ZL	Valid till Cancelled
4.	July 1, 2017	The Government of India	Goods and services tax registration in the State of Gujarat.	24AAICS8906N1ZS	Valid till Cancelled
5.	April 1, 2005	Sales Tax Department, Government of Maharashtra	Certificate of enrollment under Sub-Section 3 of Section 5 of the Maharashtra State Tax on Profession, Trade, Callings and Employments Act 1975.	99771558533P	Valid till Cancelled
6.	January 2, 2008	Sales Tax Department,	Certificate of Registration under	27065205420P	Valid till Cancelled

Sr. No	Date of Issue	Licensing Authority	Particulars of the License	License/Registration Number.	Date of Expiry
		Government of Maharashtra	Sub-Section 1 of Section 5 of the Maharashtra State Tax on Profession, Trade, Callings and Employments Act 1975.		
7.	April 01, 2023	State Tax Department, Government of Gujarat	Professional Tax Certificate issued under the Gujarat State Tax on Professions, Trades, Callings and Employment Act, 1976	2110001673	March 03, 2024*

\* We are in the process of getting our Registration converted to the digital format and have submitted our documents to that effect

#### D. Material Labour/Employment related approvals-

SR No	Date of Issue/renewal	Licensing Authority	Particulars of the License	License/Registration Number.	Date of Expiry
1.	February 23, 2021	Employees Insurance Corporation, Government of Maharashtra	State License issued under Employees' State Insurance Act, 1948	35000539970000399.	Valid till Cancelled
2.	October 19, 2021	Employees' Provident Organization, State of Maharashtra	Provident Fund Registration issued under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952	MHBAN2493513000.	Valid till Cancelled

#### III. Material approvals or renewals applied for but not received

Date of Issue	Licensing Authority	Particulars of the License	License/Registration Number	Date of Expiry
April 01, 2023	State Tax Department, Government of Gujarat	Professional Tax Certificate issued under the Gujarat State Tax on Professions, Trades, Callings and Employment Act, 1976	2110001673	March 03, 2024*

\* We are in the process of getting our Registration converted to the digital format and have submitted our documents to that effect

#### IV. Material approvals expired and not applied for renewal

Nil

#### V. Intellectual Property

Nil

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

Our Board has authorized the Issue pursuant to the resolution passed at its meeting held on July 11, 2024 and our Shareholders have approved the Issue pursuant to a special resolution dated July 11, 2024 in terms of Section 62(1)(c) and other applicable provisions of the Companies Act, 2013.

This Draft Red Herring Prospectus has been approved by our Board of Directors pursuant to the resolution passed at its meeting held on July 19, 2024. For further details, see the chapter titled “*The Issue*” on page 49 of this Draft Red Herring Prospectus.

Our Company has received in-principle approval from BSE for listing of our Equity Shares on the SME Platform of BSE. BSE is the Designated Stock Exchange for the purpose of this Issue pursuant to their letter dated [●].

### Prohibition by the SEBI, the RBI or Governmental Authorities

Our Company, our Promoter, members of Promoter Group, our Directors or person(s) in control of our Company are not 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 securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoter and Directors are associated with as promoters, directors or persons in control have been debarred from accessing the capital markets under any order or direction passed by SEBI or any other authority.

Our Company, Promoter or Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by the RBI.

None of our Promoter or Directors have been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

### Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market and there has been no action initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Red Herring Prospectus.

### Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

As on the date of this Draft Red Herring Prospectus, our Company, our Promoter and members of the Promoter Group, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended (“**SBO Rules**”), to the extent applicable to them.

### Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI ICDR Regulations, as we are an Issuer whose post issue face value paid-up capital is more than ₹10 crores and will be less than ₹25 crores and we can issue Equity Shares to the public and propose to list the same on the SME Platform of BSE Limited.

We further confirm that:

- (i) In accordance with Regulation 260 of the SEBI ICDR Regulations, this issue is 100% underwritten and the Book Running Lead Manager to the Issue will underwrite minimum 15% of the Total Issue Size.

- (ii) In accordance with Regulation 268 of the SEBI ICDR Regulations, we shall ensure that the total number of proposed Allottees in the issue will be greater than or equal to fifty (50), otherwise, the entire application money will be refunded within two (2) days of such intimation. If such money is not repaid within two (2) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of two (2) days, be liable to repay such application money, with interest at the rate 15% per annum. Further, in accordance with Section 40 of the Companies Act, 2013, our Company and each officer in default may be punishable with fine and/or imprisonment in such a case.
- (iii) In terms of Regulation 246(1) of the SEBI ICDR Regulations, a copy of the prospectus will be filed with the SEBI through the Book Running Lead Manager immediately upon filing of the prospectus with the Registrar of Companies. However, as per Regulation 246(2) of the SEBI ICDR Regulations, the SEBI will not issue any observation on the issue document. Further, in terms of Regulation 246(3) of the SEBI ICDR Regulations, the Book Running Lead Manager will also submit to SEBI a due diligence certificate as per the format prescribed by SEBI, along with the prospectus.
- (iv) In accordance with Regulation 261 of the SEBI ICDR Regulations, we confirm that we have entered into an agreement dated [●] with the Book Running Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE Limited.

**In terms of Regulation 229(3) of the SEBI ICDR Regulations, we confirm that we have fulfilled the eligibility criteria for SME Platform of BSE Limited, which are as follows:**

- (a) The Company was incorporated on March 31, 2005, with the Registrar of Companies, Maharashtra under Companies Act, 1956 in India.
- (b) As on the date of this Draft Red Herring Prospectus, our Company has a total paid up share capital of ₹ 1,706.67 lakhs comprising 1,70,66,672 Equity Shares and the Post Issue Capital will be of ₹ [●] lakhs comprising [●] Equity Shares which is below ₹ 2,500.00 lakhs.
- (c) Our Company has Net Tangible Assets of ₹ 19,284.07 lakhs which is more than ₹ 300.00 Lakhs.
- (d) Our Company was converted into Public Limited Company and name of company was changed from “Shiv Texchem Private Limited” to “Shiv Texchem Limited” vide fresh certificate of incorporation dated July 05, 2024. Hence, our Company fulfils the criteria of having track record of 3 years.
- (e) Our Company’s operating profit (earnings before interest, depreciation and tax) and net worth, based on the Restated Financial Statements included in this Draft Red Herring Prospectus are set forth below:
- (₹ in lakhs)
- | Particulars             | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|-------------------------|----------------|----------------|----------------|
| <b>Net Worth</b>        | 19,284.07      | 12,272.91      | 10,670.93      |
| <b>Operating profit</b> | 5,991.56       | 3,710.19       | 2,274.96       |
- (i) *Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting intangible assets, deferred tax assets and miscellaneous expenditure not written off, if any.*
- (ii) *Operating profit has been defined as the Earnings before interest, depreciation and tax.*
- (f) Our Company has not been referred to the Board of Industrial and Financial Reconstruction (BIFR).
- (g) There is no winding up petition against the company, which has been admitted by a Court of competent jurisdiction or a liquidator has not been appointed.
- (h) There has been no change in the Promoter of the Company in the preceding one year from date of filing application to BSE for listing on BSE SME.
- (i) Our company has facilitated trading in demat securities and has entered into an agreement with both the depositories.

- (j) No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant Company.
- (k) Our Company has a website [www.shivtexchem.com](http://www.shivtexchem.com)

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Draft Red Herring Prospectus will be filed with BSE and our Company will make an application to BSE for listing of its Equity Shares on the SME Platform. BSE Limited is the Designated Stock Exchange.
- Our Company has entered into an agreement dated July 03, 2024 with CDSL and agreement dated July 10, 2024 with NDSL for dematerialisation of its Equity Shares already issued and proposed to be issued.
- The entire pre-issue capital of our Company has fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- The entire Equity Shares held by the Promoter are in dematerialised form.
- The entire fund requirements are to be financed from the Net Fresh Issue Proceeds, and there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue. For further details, please refer the chapter titled “*Objects of the Issue*” on page 79 of this Draft Red Herring Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (1) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoter, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoter or Directors are promoters or directors of any other companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoter or Directors is a wilful defaulter or fraudulent borrowers.
- (d) None of our Promoter or Directors is a fugitive economic offender.

Further, in accordance with Regulation 268(1) of the SEBI ICDR Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within 2 (Two) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of two (2) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013. 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.

**Other Disclosures:**

We further confirm that:

- Neither the stock exchange nor any regulatory authority has taken any material regulatory or disciplinary action in respect of our Promoter in the past one year.
- Neither our Company nor our Promoters have defaulted in payment of interest and/or principal to debenture/bond/fixed deposit holders, banks, FIs during the past three years.

- There are no litigations record against our Company, Promoter except disclosed on page 195 in section “*Outstanding Litigation and Other Material Developments*”.
- There are no criminal cases / investigation / offences filed against any Director of our Company, except disclosed on page 195 in section “*Outstanding Litigation and Other Material Developments*”.

We further confirm that we will comply with all other requirements as prescribed for such an issue under Chapter IX of the 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 THIS DRAFT RED HERRING PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER BEING, VIVRO FINANCIAL SERVICES PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER 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 CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THIS 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 / OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE 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 THIS DRAFT RED HERRING PROSPECTUS.**

All applicable legal requirements pertaining to this Issue will be complied with at the time of filing of the Prospectus with the RoC in terms of Section 26 and Section 32 of the Act.

#### **Disclaimer from our Company and the Book Running Lead Manager**

Our Company and the Book Running Lead Manager accepts no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website, [www.shivtexc.com](http://www.shivtexc.com) would be doing so at his or her own risk.

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered between the Book Running Lead Manager and our Company on July 19, 2024 and the Underwriting Agreement dated July 19, 2024 entered into between our Company, Book Running Lead Manager



and Underwriter, and the Market Making Agreement dated [●] entered into among our Company, Book Running Lead Manager and Market Maker.

All information will be made available by our Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere. Neither our Company nor any member of the Syndicate shall be liable to the Bidders for any failure in uploading the Bids, due to faults in any software or hardware system, or otherwise; the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or noncompliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our subsidiary, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

### **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 competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), trusts under the applicable trust laws and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act 2013, state industrial development corporations, provident funds (subject to applicable law), National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI, venture capital funds, permitted insurance companies and pension funds, permitted non-residents including Eligible NRIs, AIFs, FPIs registered with SEBI and QIBs. This Draft Red Herring Prospectus does not, however, constitute an issue to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction 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) at Mumbai, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

### **Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

**Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act 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. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **Disclaimer Clause of BSE**

As required, a copy of this Draft Red Herring Prospectus will be submitted to the SME platform of BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, will be included in the Red Herring Prospectus and Prospectus prior to the filing with the RoC.

#### **Filing**

The Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus shall be filed with SME of BSE (the “BSE SME”) in terms of Regulation 246 (2) of SEBI ICDR Regulations.

Draft Red Herring Prospectus will not be filed with SEBI nor SEBI will issue any observation on the draft issue document in term of Regulation 246(2) of the SEBI ICDR Regulations. Pursuant to Regulation 246(5) of SEBI ICDR Regulations and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of Draft Red Herring Prospectus will be available on website of the company [www.shivtexchem.com](http://www.shivtexchem.com), Book Running Lead Manager [www.vivro.net](http://www.vivro.net) and stock exchange [www.bseindia.com](http://www.bseindia.com)

A copy of the Red Herring Prospectus/Prospectus, along with the material contracts and documents referred elsewhere in the Red Herring Prospectus/Prospectus, will be delivered to the office of Registrar of Companies, Mumbai situated at 100, Everest, Marine Drive, Mumbai- 400002, Maharashtra, and the same will also be available on the website of the company [www.shivtexchem.com](http://www.shivtexchem.com), for inspection.

#### **Listing**

Application will be made to BSE for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The SME Platform of BSE has given its in-principle approval for using its name in our Issue Documents vide its letter [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Prospectus. If such money is not repaid within two (2) 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 the second day, be liable to repay the money, with interest at the rate of 15 per cent per annum on the application money, as prescribed under Section 40 of the Companies Act.

Our Company will ensure that all steps for completion of necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within six (6) Working Days from the Issue Closing Date.

## Consents

Consents in writing of (a) Our Directors, Promoter, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditors, Banker to the Company; (b) Book Running Lead Manager, Registrar to the Issue, Legal Counsel to the Issue, Banker & Sponsor Bank to the Issue\*, Underwriter to the Issue\* and Market Maker to the Issue\* to act in their respective capacities have been obtained as required under Section 26 of the Companies Act and will be filed along with a copy of the Prospectus with the RoC and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

*\*The consents will be taken while registering the Prospectus with RoC.*

## Experts

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

Our Company has received written consent dated July 19, 2024 from the Statutory Auditor namely, Sundarlal, Desai & Kanodia, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the examination report dated July 16, 2024 on the Restated Financial Information, and the statement of possible special tax benefits dated July 19, 2024 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated July 19, 2024, from A. K. Nevatia & Associates, Chartered Accountants, having firm registration number 107045W holding a valid peer review certificate from the ICAI, to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act in respect of the certificates issued by them, in their capacity as an independent chartered accountant to our Company, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

## Particulars regarding Public or Rights Issues during the last 5 (Five) years and performance vis-à-vis objects

Our Company has not made any previous public or rights issue during the last 5 (Five) years preceding the date of this Draft Red Herring Prospectus.

## Previous issues of Equity Shares otherwise than for cash

For a detailed description, please refer to section "*Capital Structure*" on page 64 of this Draft Red Herring Prospectus.

## Commission or Brokerage on Previous Issues since incorporation of the Company

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of the Equity Shares in the 5 (Five) years preceding the date of this Draft Red Herring Prospectus.

## Capital issue during the previous 3 (Three) years by our Company/ Subsidiaries

Except as disclosed in the section titled "*Capital Structure – History of Equity Share capital of our Company*" on page 65 of this Draft Red Herring Prospectus, our Company has not made any capital issues since its inception.

## Performance vis-à-vis Objects – Public / rights issue of our Company

Our Company has not undertaken any public issues since its inception. For details of right issue please refer chapter titled "*Capital Structure*" on page 64 of this Draft Red Herring Prospectus.

## Performance vis-à-vis Objects – Public / rights issue of the listed Subsidiaries/listed promoters of our Company

Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any listed group companies, subsidiaries or associates.

### Stock Market Data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

### Price information of past issues handled by the BRLM

#### VIVRO FINANCIAL SERVICES PRIVATE LIMITED

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Vivro Financial Services Private Limited

Sr. No.	Issuer Name	Issue Size (in Cr.)	Issue Price (in ₹)	Listing Date	Opening Price on Listing Date (₹)	% Change in closing price, (% change in closing benchmark) - 30 <sup>th</sup> calendar day from listing	% Change in closing price, (% change in closing benchmark) - 90 <sup>th</sup> calendar day from listing	% Change in closing price, (% change in closing benchmark) - 180 <sup>th</sup> calendar day from listing
1	Bondada Engineering Limited	42.72	75/-	August 30, 2023	142.50	+123.07% [+0.65%]	+492.33% [+1.36%]	+1,114.73% [+12.38%]

Source: Price Information [www.bseindia.com](http://www.bseindia.com) and Issue Information from Prospectus of Bondada Engineering Limited.

#### Note:

- The BSE SENSEX is considered as the Benchmark Index.
- "Issue Price" is taken as "Base Price" for calculating % Change in Closing Price of the respective Issues on 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> Calendar days from listing.
- "Closing Benchmark" on the listing day of script is taken as "Base Benchmark" for calculating % Change in Closing Benchmark on 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> Calendar days from listing. Although it shall be noted that for comparing the script with Benchmark, the +/- % Change in Closing Benchmark has been calculated based on the Closing Benchmark on the same day as that of calculated for script in the manner provided in Note No. 4 below.
- In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day is not a trading day, closing price on BSE of the previous trading day for the script has been considered, however, if script is not traded on that previous trading day then last trading price has been considered.

Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Vivro Financial Services Private Limited

F.Y.	Total no. of IPOs raised	Total amount of funds raised (₹Cr.)	No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25 - 50%	Less than 25%	Over 50%	Between 25 - 50%	Less than 25%	Over 50%	Between 25 - 50%	Less than 25%	Over 50%	Between 25 - 50%	Less than 25%
2024-25														
2023-24	1	42.72	-	-	-	1	-	-	-	-	-	1	-	-
2022-23														

#### Notes:

- Issue opening date is considered for calculation of total number of IPOs in the respective financial year.
- Source: [www.bseindia.com](http://www.bseindia.com)

## **Mechanism for redressal of Investor Grievances**

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

Investors can contact the Company Secretary and Compliance Officer, the Book Running Lead Manager 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, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc.

All grievances relating to the Issue, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Application Form was submitted, giving full details such as name of the Applicant, Application Form number, Applicant's DP ID, Client ID, PAN, address of Applicant, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID, date of Application Form and the name and address of the relevant Designated Intermediary where the Application was submitted. Further, the Applicant must enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to the Application submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

In terms of SEBI circular no. 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 a delay beyond this period of 15 days. Further, the investors must be compensated by the SCSBs at the rate higher of ₹100 per day or 15% per annum of the application amount in the event 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 the stipulated period. In an event there is a delay in redressal of the investor grievance, the Book Running Lead Manager will compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount.

For helpline details of the Book Running Lead Manager pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "*General Information – Book Running Lead Manager*" on page 57 of this Draft Red Herring Prospectus.

Further, the Applicant must also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

Anchor Investors are required to address all grievances in relation to the Issue to the Book Running Lead Manager.

The Registrar to the Issue will obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Applicant. Our Company, the Book Running Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under SEBI ICDR Regulations. Investors can contact our Company Secretary and 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, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company will obtain authentication on the SCORES and will comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

## **Disposal of Investor Grievances by our Company**

We estimate that the average time required by our Company and/or the Registrar to the Issue for redressal of

routine investor grievances will be seven Working Days from date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Dinky Jain as the Company Secretary and Compliance Officer and she may be contacted in case of any pre-Issue or post-Issue related problems, at the address set forth hereunder.

**Dinky Jain**

602, 6<sup>th</sup> Floor, Savoy Chambers,  
Hasmukh Nagar,  
Santacruz (W),  
Mumbai – 400 054

**Telephone:** +91 96195 11788

**Email:** cs@shivtexchem.com

Our Company has not received any investor grievances during the three years preceding the date of this Draft Red Herring Prospectus and as on date, there are no investor complaints pending.

Further, our Company has constituted a Stakeholders' Relationship Committee, which is responsible for review and redressal of grievances of the security holders of our Company. For details, see "*Our Management*" on page 129 of this Draft Red Herring Prospectus.

**Other confirmations**

Any person connected with the Issue will not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the Issue, except for fees or commission for services rendered in relation to the Issue.

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

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

## SECTION VII: ISSUE INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being Allotted pursuant to this issue will be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, the Abridged Prospectus, Application Form, any Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the issue. The Equity Shares will also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange(s), the RBI, RoC and/or other authorities, as in force on the date of the issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchange(s), the RoC and/or any other authorities while granting its approval for the issue.

SEBI through the UPI Circulars has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism with the ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days (“UPI Phase I”), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days was applicable until further notice pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (“UPI Phase II”). Thereafter, the final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders (“UPI Phase III”) and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023 (“T+3 Notification”). Accordingly, the Issue will be undertaken pursuant to the processes and procedures under UPI Phase III on mandatory basis, subject to any circulars, clarification or notification issued by the SEBI pursuant to the T+3 Notification.

### THE ISSUE

The issue consists of a Fresh Issue and the expenses for the issue shall be shared amongst our Company and the Selling Shareholders in the manner specified in “*Objects of the issue*” on page 79 of this Draft Red Herring Prospectus.

### AUTHORITY FOR THE PRESENT ISSUE

This issue is authorized by a resolution of our Board passed at their meeting held on July 11, 2024, which was subject to approval of shareholders through a special resolution to be passed pursuant to Section 62(1) (c) of the Companies Act. The shareholders on July 11, 2024 at the Extra Ordinary General Meeting of our Company authorized the issue by a special resolution.

### RANKING OF EQUITY SHARES

The Equity Shares being issued pursuant to the issue will be subject to the provisions of the Companies Act, SEBI Listing Regulations, SEBI ICDR Regulations, SCRA read with SCRR, the Memorandum and the Articles of Association and will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment/transfer in accordance with the provisions of the Companies Act and the Articles of Association. For further details, please refer to chapter “*Provisions of the Articles of Association*” on page 265 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, 2013 and recommended by the Board of Directors at their discretion and approved by the shareholders 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, 2013. Dividends, if any, declared by our Company after the date of Allotment will be payable to the transferee who has been Allotted Equity Shares in the issue, for the entire year. For more information, see “*Dividend Policy*” and “*Provision of the Articles of Association*” on pages 149 and 265, respectively, of this Draft Red Herring Prospectus.

## **FACE VALUE AND ISSUE PRICE**

The face value of each Equity Share is ₹ 10/- and the issue Price at the lower end of the Price Band is ₹ [●]/- per Equity Share and at the higher end of the Price Band is ₹ [●]/- per Equity Share. The Anchor Investor Issue Price is ₹ [●]/- per Equity Share.

The Price Band and the Bid Lot will be decided by our Company, in consultation with the BRLM, and published by our Company in [●] edition of [●] (a widely circulated English national daily newspaper) and [●] edition of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (being the regional language of Mumbai, where our Registered Office is located) at least two Working Days prior to the Bid/Issue Opening Date, and shall be made available to the Stock Exchange for the purpose of uploading the same on their 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 at the website of the Stock Exchange. The issue Price shall be determined by our Company, in consultation with the BRLM, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares Issued by way of the 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.

## **Compliance with disclosure and accounting norms**

Our Company will comply with all disclosures and accounting norms as specified by the SEBI from time to time.

## **RIGHTS OF THE EQUITY SHAREHOLDERS**

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders will have the following rights:

- Right to receive dividends, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to all statutory and preferential claim being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, SEBI Listing Regulations and our Memorandum and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, see “*Provisions of the Articles of Association*” on page 265 of this Draft Red Herring Prospectus.

## **ALLOTMENT ONLY IN DEMATERIALISED FORM**

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares will be allotted



only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares will only be in dematerialized form. In this context, our Company has executed 2 (Two) separate agreements amongst the Depositories and the Registrar to the issue as follows:

- Tripartite Agreement dated July 10, 2024, between our Company, NSDL and the Registrar to the issue.
- Tripartite Agreement dated July 3, 2024, between our Company, CDSL and the Registrar to the issue.

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of a body corporate shall 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..

#### **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, the minimum application size in terms of number of specified securities will not be less than ₹1.00 Lakh per Application. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the SME Platform of BSE (the “**BSE SME**”) 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 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.

For further details, see “*Issue Procedure*” on page 225 of this Draft Red Herring Prospectus

#### **MINIMUM NUMBER OF ALLOTTEES**

In accordance with Regulation 268(1) of the SEBI ICDR Regulations, the minimum number of allottees in this issue must be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this issue and the monies collected will be refunded within two (2) Working Days of closure of the issue.

#### **JOINT HOLDERS**

Subject to provisions of the Articles of Association, where two or more persons are registered as holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

#### **JURISDICTION**

The competent courts/authorities in Mumbai will have exclusive jurisdiction for the purpose of this issue.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933 (“Securities Act”) and may not be issued or sold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being issued and sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and applicable laws of the jurisdiction where the issue occurs.**

The Equity Shares have not been and will not be registered, listed, or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **NOMINATION FACILITY TO INVESTORS**

In accordance with Section 72(1) and 72(2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72(3) of the Companies Act, 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 accordance with Section 72(4) of the Companies Act, 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 nominee. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or at the offices of the Registrar and Transfer Agents of our Company.

In accordance with the Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, must upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 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 will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with the Depository Participant of the Applicant would prevail. If the Applicant wants to change the nomination, he/she is requested to inform their respective Depository Participant.

#### **RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES**

Except for the lock-in of the pre- Issue capital of our Company, Promoters' minimum contribution as provided in "*Capital Structure*" on page 64 of this Draft Red Herring Prospectus and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer "*Provisions of Articles of Association*" on page 265 of this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated herein above. Our Company and the BRLM are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the 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 or regulations.

#### **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, in terms of Regulation 261(5) of the SEBI ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE (the "BSE SME").

#### **APPLICATION BY ELIGIBLE NRIs, FPIs or VCFs REGISTERED WITH SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **AS PER THE EXTENT GUIDELINES OF THE GOVERNMENT OF INDIA, OCBs CANNOT PARTICIPATE IN THIS ISSUE**

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be Offered is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI

## **PRE – ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Red Herring Prospectus with the ROC, publish a pre- Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) All Editions of English National Newspaper, [●]; (ii) All editions of Hindi National Newspaper, and the registered office of the company is situated in Mumbai, therefore Marathi is the regional language. In the pre-Issue advertisement, we shall state the Bid/Issue 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 ICDR 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. The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Managers 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. 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 and regulations.

## **NEW FINANCIAL INSTRUMENTS**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company. Application by eligible NRIs, FPIs Registered with SEBI, VCFs, AIFs registered with SEBI and QFIs. It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

## **WITHDRAWAL OF THE ISSUE**

Our Company, in consultation with the Book Running Lead Manager, reserves the right to not proceed with the issue, in whole or in part thereof, after the issue Opening Date but before the Allotment. In such an event, our Company will issue a public notice in the newspapers in which the pre- Issue advertisements were published, within 2 (two) 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 Book Running Lead Manager, through the Registrar to the issue, will notify the SCSBs and the Sponsor Bank (in case of RIBs using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicants and the Escrow Collection Bank to release the application amounts to the Investors, within one (1) Working Day from the date of receipt of such notification. Our Company will also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, 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 the Issue, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange.

## **BID / ISSUE PROGRAMME**

<b>BID/ISSUE OPENS ON</b>	[●]
<b>BID/ISSUE CLOSES ON</b>	[●]

<sup>(1)</sup> Our Company, may, in consultation with the BRLMs 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, may, in consultation with the BRLMs, consider closing the Bid/ Issue Period for QIBs one day prior to the Bid/ Issue Closing

Date in accordance with the SEBI ICDR Regulations.

<sup>(3)</sup>UPI mandate end time and date shall be at 5.00 p.m. on Bid/Issue Closing Date.

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Issue opening Date	[●]*
Issue closing Date	[●]**
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of Refunds / unblocking of funds from ASBA Account	On or about [●]
Credit of Equity Shares to demat account of the Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

Note –

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

\*\*Our Company 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 two 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 two 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.

The Bidder shall be compensated in the manner specified in the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/76 dated May 30, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, which for the avoidance of doubt, shall be deemed to be incorporated in the agreements to be entered into between our Company with the relevant intermediaries, to the extent applicable.

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, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022

**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 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.**

In terms of the UPI Circulars, in relation to the Issue, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Any circulars or notifications from SEBI after the date of the Draft Red Herring Prospectus may result in changes to the listing timelines. Further, the issue procedure is subject to change to any revised SEBI circulars to this effect.

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 BSE SME 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 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 revision in the Price Band, the Bid/ Issue period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Issue period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Issue period, if applicable, shall be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the change on the website of the BRLM and at the terminals of syndicate members.

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 one Working Day, 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**

This issue is not restricted to any minimum subscription level. This issue is 100% underwritten. If the issuer does not receive the subscription of 100% of the issue through this issue document including devolvement of Underwriter within sixty days from the date of closure of the issue, the issuer shall forthwith refund the entire subscription amount received within the time limit as prescribed under the SEBI (ICDR) Regulations and Companies Act, 2013.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the issuer fails to obtain listing or trading permission from the stock exchanges where the specified securities were to be listed, it shall refund through verifiable means the entire monies received within two (2) days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within two (2) days after the issuer becomes liable to repay it the issuer and every director of the company who is an officer in default shall, on and from the expiry of the second day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent. per annum.

In accordance with Regulation 260(1) of the SEBI ICDR Regulations, our Issue will be one hundred percent underwritten. For details of underwriting arrangement, kindly refer the chapter titled “*General Information*” on page 55 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.

Further, in accordance with Regulation 268 of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (Fifty).

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **MIGRATION TO MAIN BOARD**

Our company may migrate to the main board of BSE at a later date subject to the following:

If the Paid up Capital of our Company is likely to increase above ₹ 2,500 Lakh by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor 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), our Company shall apply to BSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

If the paid-up Capital of our company is more than ₹ 1,000 Lakh but below ₹ 2,500 Lakh, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Any company voluntarily desiring to migrate to the Main board from the SME Platform, amongst others, has to fulfill following conditions:

<b>Eligibility Criteria</b>	<b>Details</b>
<b>Paid up capital and marketcapitalization</b>	<p>Paid-up capital of more than 10 Crores and Market Capitalisation should be minimum ₹ 25 Crores</p> <p><i>(Market Capitalisation will be the product of the price (average of the weekly high and low of the closing price of the related shares quoted on the stock exchange during 3 (Three) months prior to the date of the application) and the post issue number of equity shares.)</i></p>
<b>Promoter holding</b>	Promoter(s) shall be holding at least 20% of equity share capital of the company at the time of making application.

<b>Eligibility Criteria</b>	<b>Details</b>
<b>Financial Parameters</b>	<ul style="list-style-type: none"> <li>• The applicant company should have positive operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years and has positive Profit after tax (PAT) in the immediate preceding Financial Year of making the migration application to Exchange.</li> <li>• The applicant company should have a Net worth of at least ₹ 15 crores for 2 preceding full financial years.</li> </ul>
<b>Track record of the company in terms of listing/ regulatory actions, etc</b>	The applicant company is listed on SME Exchange/ Platform having nationwide terminals for atleast 3 years.
<b>Regulatory action</b>	<ul style="list-style-type: none"> <li>• No material regulatory action in the past 3 years like suspension of trading against the applicant company, promoters/promoter group by any stock Exchange having nationwide trading terminals.</li> <li>• No Debarment of company, promoters/promoter group, subsidiary company by SEBI.</li> <li>• No Disqualification/Debarment of directors of the company by any regulatory authority.</li> <li>• The applicant company has not received any winding up petition admitted by a NCLT.</li> </ul>
<b>Public Shareholder</b>	The applicant company shall have a minimum of 250 public shareholders as per the latest shareholding pattern.
<b>Other parameters like No. of shareholders, utilization of funds</b>	<ul style="list-style-type: none"> <li>• No proceedings have been admitted under the Insolvency and Bankruptcy Code against the applicant company and Promoting companies.</li> <li>• No pending Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders by the applicant, promoters/promoter group /promoting company(ies), Subsidiary Companies.</li> <li>• The applicant company shall obtain a certificate from a credit rating agency registered with SEBI with respect to utilization of funds as per the stated objective pursuant to IPO and/or further funds raised by the company, if any post listing on SME platform.</li> <li>• The applicant company has no pending investor complaints.</li> <li>• Cooling off period of 2 months from the date the security has come out of trade-to-trade category or any other surveillance action.</li> </ul>

## **MARKET MAKING**

The Equity Shares Issued through this issue are proposed to be listed on the BSE SME, wherein the Market Maker to this issue will ensure compulsory Market Making through the registered Market Makers of the BSE for a minimum period of 3 years from the date of listing on the BSE SME. For further details of the agreement entered into between our Company, the Book Running Lead Manager and the Market Maker please refer to the section “*General Information - Details of the Market Making Arrangements for this issue*”, on page 62 of this Draft Red Herring Prospectus.

## **OPTION TO RECEIVE SECURITIES IN DEMATERIALIZED FORM**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

## ISSUE STRUCTURE

This issue is being made in terms of Regulation 229(2) of Chapter IX of SEBI ICDR Regulations, whereby, an Issuer whose post Issue paid-up capital is more than ₹1,000 lakhs and up to ₹2,500 lakhs, may issue shares to the public and propose to list the same on the BSE SME. For further details regarding the salient features and terms of such an issue please refer to the chapter titled “*Terms of the issue*” and “*Issue Procedure*” on pages 212 and 225, respectively of this Draft Red Herring Prospectus.

Initial Public Offer of 61,05,600 Equity Shares of ₹10 each (the “**Equity Shares**”) of Shiv Texchem Limited for cash at a price of ₹ [●] per Equity Share (the “**Issue Price**”), aggregating to ₹ [●] lakhs (the “**Issue**”). Out of the total issue, [●] equity shares aggregating to ₹ [●] lakhs will be reserved for subscription by market maker (“**Market Maker Reservation Portion**”). The issue less the market maker reservation portion i.e. issue of [●] equity shares of face value of ₹ 10.00/- each at an Issue price of ₹ [●] /- per equity share aggregating to ₹ [●] lakhs are hereinafter referred to as the “**Net Issue**”. The issue and the net issue will constitute [●]% and [●]%, respectively of the post Issue paid up equity share capital of our company.

The issue is being made by way of Book Building Process (1):

Particulars of the issue	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
<b>Number of Equity Shares available for allocation</b>	[●] Equity Shares	[●] Equity Shares	[●] Equity Shares	[●] Equity Shares
<b>Percentage of Issue Size available for allocation</b>	[●]% of the issue Size	Not more than 50.00% of the Net issue size shall be available for allocation to QIBs. However, up to 5.00% of net QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Fund only. Up to 60.00% of the QIB Portion may be available for allocation to Anchor Investors and one third of the Anchor Investors Portion shall be available for allocation to domestic mutual funds only.	Not less than 15.00% of the issue shall be available for allocation.	Not less than 35.00% shall be available for allocation.
<b>Basis of Allotment</b>	Firm Allotment	Proportionate as Follows (excluding the Anchor Investor Portion: (a) up to	Proportionate basis subject to minimum allotment of [●] Equity Shares and further allotment in	Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot,



Particulars of the issue	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
		[●] Equity Shares, shall be available for allocation on a Proportionate basis to Mutual Funds only; and; (b) [●] Equity shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors For further details please refer to the section titled “Issue Procedure” on page 225.	multiples of [●] Equity Shares	[●] subject to Availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, “Issue Procedure” on page 225
<b>Mode of Application</b>	All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for Retail Investors using Syndicate ASBA).			
<b>Minimum Application Size</b>	[●] Equity Shares in multiple of [●] Equity shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 2,00,000	Such number of Equity shares in multiple of [●] Equity Shares such that the Application size must not be less than ₹2,00,000	Such number of Equity shares in multiple of [●] Equity Shares
<b>Maximum Application Size</b>	[●] Equity Shares	Such number of Equity Shares and 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 issue (excluding the QIB portion), subject to limits as applicable to the Bidder.	Such number of Equity shares in multiple of [●] Equity Shares that the Application size does not exceed ₹2,00,000
<b>Mode of Allotment</b>	Dematerialised Form			
<b>Trading Lot</b>	[●] Equity Shares, however the Market Maker may accept odd lots if	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof

Particulars of the issue	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
	any in the market as required under the SEBI ICDR Regulations			
<b>Terms of Payment</b>	Full application amount will be blocked by the SCSBs in the bank account of the Applicant including UPI ID in case of UPI Bidders, that is specified in the Application Form at the time of submission of the Application Form.			

*This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.*

*(1) 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.*

*(2) 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.*

*(3) 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.*

*(4) 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.*

*Kindly Note:*

- In case of joint application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.*
- Applicants will be required to confirm and will be deemed to have represented to our Company, the BRLM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this issue.*
- SCSBs applying in the issue must apply through an ASBA Account maintained with any other SCSB.*

## Lot Size

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the Circular) standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Issue Price (in ₹)	Lot Size (No. of shares)
Up to 14	10000
More than 14 up to 18	8000
More than 18 up to 25	6000
More than 25 up to 35	4000
More than 35 up to 50	3000
More than 50 up to 70	2000
More than 70 up to 90	1600
More than 90 up to 120	1200
More than 120 up to 150	1000
More than 150 up to 180	800
More than 180 up to 250	600
More than 250 up to 350	400
More than 350 up to 500	300
More than 500 up to 600	240
More than 600 up to 750	200
More than 750 up to 1000	160
Above 1000	100

Further to the Circular, at the initial public offer stage the Registrar to Issue in consultation with BRLM, our Company and BSE SME shall ensure to finalize the basis of allotment in minimum lots and in multiples of

minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the initial public offer lot size at the application/allotment stage, facilitating secondary market trading.

## **WITHDRAWAL OF THE ISSUE**

In accordance with the SEBI ICDR Regulations, our Company, in consultation with Book Running Lead Manager, reserves the right not to proceed with this issue at any time after the issue Opening Date, but before our Board meeting for Allotment, without assigning reasons 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, where the Registered office of the Company is situated.

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. In case our Company withdraws the issue after the issue Closing Date and subsequently decides to undertake a public issue of Equity Shares, our Company will file a fresh Issue document with the Stock Exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares Issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Red Herring Prospectus.

## **JURISDICTION**

The competent courts / authorities in Mumbai will have exclusive jurisdiction for the purpose of this issue.

## **ISSUE PROGRAMME**

<b>ISSUE OPENING DATE</b>	[●]
<b>ISSUE CLOSING DATE</b>	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the issue closing date when applications will be accepted only between 10.00 a.m. to 2.00 p.m.

In case of discrepancy in the data entered in the electronic book vis a vis the data contained in the physical bid form, for a particular bidder, the detail as per physical application form of that bidder may be taken as the final data for the purpose of allotment.

Standardization of cut-off time for uploading of applications on the issue closing date:

- (a) A standard cut-off time of 3.00 PM for acceptance of applications.
- (b) A standard cut-off time of 4.00 PM for uploading of applications received from non-retail applicants i.e. QIBs, HNIs and employees (if any).

A standard cut-off time of 5.00 PM for uploading of applications received from only retail applicants, which may be extended up to such time as deemed fit by Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by BRLM to the Exchange within half an hour of such closure.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## ISSUE PROCEDURE

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 the BRLM would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and 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 the Draft Red Herring Prospectus.

All Applicants should read the General Information Document for Investing in Public Issue (“**GID**”) prepared and issued in accordance with the SEBI Circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and UPI Circulars which highlight the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the website of Stock Exchange, the Company and the Book Running Lead Manager, before opening of the issue. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the issue; (ii) maximum and minimum application size; (iii) price discovery and allocation of shares; (iv) payment Instructions for ASBA Applicants; (v) issuance of Confirmation of Allocation Note (“**CAN**”) and Allotment in the issue; (vi) General Instructions (limited to instructions for completing the Application Form); (vii) Submission of Application Form; (viii) Designated Dated (ix) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (x) applicable provisions of Companies Act relating to punishment for fictitious applications; (xi) mode of making refunds; and (xii) interest in case of delay in Allotment or refund.

SEBI through the UPI Circulars has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“**UPI**”) and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism with the ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days (“**UPI Phase I**”), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days was applicable until further notice pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (“**UPI Phase II**”). Thereafter, the final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders (“**UPI Phase III**”) and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023 (“**T+3 Notification**”). Accordingly, the Issue will be undertaken pursuant to the processes and procedures under UPI Phase III on mandatory basis, subject to any circulars, clarification or notification issued by the SEBI pursuant to the T+3 Notification.

Further, pursuant to SEBI master circular bearing reference no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 (“**SEBI RTA Master Circular**”) and circular (SEBI/HO/CFD/DIL2/P/CIR/2022/75) dated May 30, 2022, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The provisions of these circulars are deemed to form part of this Draft Red Herring Prospectus. Furthermore, pursuant to circular (SEBI/HO/CFD/DIL2/P/CIR/P/2022/45) dated April 5, 2022, all individual bidders in initial public offerings whose Application sizes are up to ₹500,000 shall use the UPI Mechanism for submitting their bids. Additionally, pursuant to circular (SEBI/HO/CFD/DIL2/P/CIR/2022/75) dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stockbrokers, Depository Participants (**DP**), Registrar to an Issue and Share Transfer Agent (**RTA**) that have been

notified by BSE SME to act as intermediaries for submitting Application Forms are provided on the website of BSE at [www.bseindia.com](http://www.bseindia.com). For details on their designated branches for submitting Application Forms, please see the above-mentioned website of BSE SME.

ASBA Applicants are required to submit ASBA Applications to the selected branches / offices of the RTAs, DPs, Designated Bank Branches of SCSBs. 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 <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the abovementioned SEBI link. The list of Stockbrokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by BSE SME to act as intermediaries for submitting Application Forms are provided on the website of BSE at [www.bseindia.com](http://www.bseindia.com). For details on their designated branches for submitting Application Forms, please refer the above-mentioned BSE SME website.

Our Company and the 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 and are not liable for any amendment, modification or change in the applicable law, which may occur after the date of this Draft Red Herring Prospectus and the Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and 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, Red Herring Prospectus and the Prospectus.

## **BOOK BUILT PROCEDURE**

The issue is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the issue shall be allocated on a proportionate basis to QIBs, provided that our Company may, in consultation with the BRLM, allocate up to 60.00% 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 Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be to the QIB Portion. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from 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 15.00% of the issue shall be available for allocation on a proportionate basis to Non- Institutional Bidders and not less than 35.00% of the issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the issue Price.

Under-subscription, if any, in any category, except in the QIB 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 BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the issue Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spillover from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

Investors should note that according to Section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. It is mandatory to furnish the details of Applicant’s depository account along with Application Form. The Application Forms which do not have the details of the Applicant’s depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicant’s PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges. However, investors may get the specified securities rematerialized subsequent to allotment.

## **AVAILABILITY OF DRAFT RED HERRING PROSPECTUS, RED HERRING PROSPECTUS, PROSPECTUS AND APPLICATION FORMS**

The Memorandum containing the salient features of the Prospectus together with the Application Forms and copies of the Draft Red Herring Prospectus/ Red Herring Prospectus/ Abridged Prospectus/ Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the BRLM to the issue, Registrar to the issue as mentioned in the Application form.

An electronic copy of the Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and BSE SME the website of BSE at [www.bsesme.com](http://www.bsesme.com).

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking of funds that are available in the bank account specified in the Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Red Herring Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

## **PHASED IMPLEMENTATION OF UNIFIED PAYMENTS INTERFACE**

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circulars proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase is applicable from January 1, 2019, and will continue up to June 30, 2019. Under this phase, a Retail Individual Investor would also have 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 would continue to be six Working Days.

**Phase II:** This phase commenced on completion of Phase I, i.e., with effect from July 1, 2019, and was to be continued for a period of three months or launch of five main board public issues, whichever is later. Further, as per the SEBI circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per SEBI circular No. 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 will be continued till further notice. Under this phase, submission of the Application Form by a Retail Individual Investor through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public Issue closure to listing would continue to be six Working Days during this phase.

**Phase III:** The commencement period of Phase III is notified pursuant to SEBI press release bearing number 12/2023 and as per the SEBI Circular No. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023, where the revised timeline of T+3 days shall be made applicable in two phases i.e. (i) voluntary for all public issues opening on or after September 01, 2023; and (ii) mandatory on or after December 01, 2023. The issue will be made under UPI Phase III of the UPI Circulars.

All SCSBs offering the facility of making applications in public issues are required to provide a facility to make applications using the UPI Mechanism. Further, in accordance with the UPI Circulars, our Company has appointed [●] as the 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 Investors into the UPI mechanism.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs

to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful applicants to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the Book Running Lead Manager will be required to compensate the concerned investor.

SEBI through its circular SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 05, 2022, has prescribed. that all individual investors applying in initial public offerings opening on or after May 01, 2022, where the application amount is up to ₹ 5,00,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 2,00,000 and up to ₹ 5,00,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

For further details, refer to the "General Information Document" available on the websites of the Stock Exchange and the BRLM. The General Information Document will be available on the website of the Exchange and BRLM after the filing of the Red Herring Prospectus.

## **BID CUM APPLICATION FORM**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the website of BSE at [www.bseindia.com](http://www.bseindia.com) at least one day prior to the Bid/Issue opening Date.

Copies of the Anchor Investor Application Form will be available at the office of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the issue only through the ASBA process. Anchor Investors are not permitted to participate in the issue through the ASBA process. The Bidding in the Retail Portion can additionally Bid through the UPI Mechanism.

A Retail Individual Investor making applications using the UPI Mechanism shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in the issue. The SCSBs, upon receipt of the Application Form will upload the Bid details along with the UPI ID in the bidding platform of the Stock Exchange. Applications made by the Retail Individual Investors using third party bank accounts or using UPI IDs linked to the bank accounts of any third parties are liable for rejection. The Bankers to the issue shall provide the investors' UPI linked bank account details to the RTA for the purpose of reconciliation. Post uploading of the Bid details on the bidding platform, the Stock Exchange will validate the PAN and demat account details of Retail Individual Investors with the Depositories.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants. ASBA Bidders (other than RIBs using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs Bidding in the Retail Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub- Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA

Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Red Herring Prospectus. The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form <sup>(1)</sup>
<b>Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non- repatriation basis<sup>(2)</sup></b>	[●]
<b>Non-Residents including Eligible NRIs, FVCIs, FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis<sup>(3)</sup></b>	[●]
<b>Anchor Investors</b>	[●]

<sup>(1)</sup>Excluding electronic Bid cum Application Form

<sup>(2)</sup>Electronic Bid cum Application forms will also be available for download on the website of BSE ([www.bseindia.com](http://www.bseindia.com))

<sup>(3)</sup> Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLM

Note:

- Details of depository account are mandatory and applications without depository account shall be treated as incomplete and rejected. Investors will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities re-materialized subsequent to allotment.
- The shares of the Company, on allotment, shall be traded on stock exchange in demat mode only.
- Single bid from any investor shall not exceed the investment limit/maximum number of specified securities that can be held by such investor under the relevant regulations/statutory guidelines.
- The correct procedure for applications by Hindu Undivided Families and applications by Hindu Undivided Families would be treated as on par with applications by individuals.

## ELECTRONIC REGISTRATION OF BIDS

- The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Issue on a regular basis before the closure of the issue.
- On the Bid/ Issue closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Prospectus.
- Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next working day following the Bid/ Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Issue period after which the Stock Exchange(s) send the Application information to the Registrar to the issue for further processing.

## SUBMISSION AND ACCEPTANCE OF APPLICATION FORMS

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 stockbroker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')



<b>Sr. No.</b>	<b>Designated Intermediaries</b>
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)

*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 investors to intermediaries other than SCSB's</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 SCSBs 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 resubmission 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 Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.**

#### **WHO CAN APPLY**

Please note that, in accordance with the 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) facility for making payment. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) process or UPI payment mechanism by providing UPI ID in the Application Form which is linked from Bank Account of the investor.

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 Draft Red Herring Prospectus for more details.

Subject to the above, an illustrative list of Bidders is as follows:

1. 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);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. 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;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on 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;
6. 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);
7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the non-Institutional investor's category;
10. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
11. Foreign Venture Capital Investors registered with the SEBI;
12. 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;
13. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
14. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
15. Provident Funds with minimum corpus of ₹25 crores and who are authorized under their constitution to hold and invest in equity shares;
16. Pension Funds with minimum corpus of ₹25 crores and who are authorized under their constitution to hold and invest in equity shares;
17. 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;
18. Insurance funds set up and managed by army, navy or air force of the Union of India;
19. Multilateral and bilateral development financial institution;

20. Eligible QFIs;
21. Insurance funds set up and managed by the Department of Posts, India;
22. Any other person eligible to apply in this issue, under the laws, rules, regulations, guidelines and policies applicable to them.
23. Applications not to be made by:
  - (a) Minors (except through their Guardians);
  - (b) Partnership firms or their nominations;
  - (c) Foreign Nationals (except NRIs);
  - (d) Overseas Corporate Bodies.

**As per the existing regulations, OCBs are not eligible to participate in this issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under the 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 prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.**

#### **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 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 may be 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 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 “*Issue Procedure- Payment into Escrow Account(S) For Anchor Investors*” on page 254 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 OF BRLM**

The BRLM shall not be entitled to subscribe to this issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM may subscribe to Equity Shares in the issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis. All categories of Applicants, including associates and affiliates of the BRLM, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

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.

#### **AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS**

The Memorandum containing the salient features of the Draft Red Herring Prospectus together with the Application Forms and copies of the Draft Red Herring Prospectus may be obtained from the Registered Office/Registered Office of our Company, BRLM to the issue and The Registrar to the issue as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE SME at the website of BSE at [www.bsesme.com](http://www.bsesme.com).

#### **OPTION TO SUBSCRIBE IN THE ISSUE**

- a) As per Section 29(1) of the Companies Act 2013, Investors will get the allotment of Equity Shares in dematerialization form only.
- b) The Equity Shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c) In a single Application Form any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### **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

#### **APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIs**

Application must be made only in the names of individuals, limited companies or Statutory Corporations/institutions and not in the names of minors, foreign nationals, non-residents (except for those applying on non-repatriation), trusts (unless the trust is registered under the Societies Registration Act, 1860 or

any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUF's, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares issued to the public.

#### **PARTICIPATION BY ASSOCIATES/AFFILIATES OF BOOK RUNNING LEAD MANAGER, PROMOTERS, PROMOTERS GROUP AND PERSONS RELATED TO PROMOTER/PROMOTERS GROUP**

The Book Running Lead Manager shall not be allowed to purchase Equity Shares in this issue in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the Book Running Lead Manager may subscribe to or purchase Equity Shares in the issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Applicants. Such Applying and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of Book Running Lead Manager, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the Book Running Lead Manager or any associates of the Book Running Lead Manager, except Mutual Funds sponsored by entities which are associates of the Book Running Lead Manager or insurance companies promoted by entities which are associate of Book Running Lead Manager or AIFs sponsored by the entities which are associate of the Book Running Lead Manager or FPIs (other than individuals, corporate bodies and family offices), sponsored by the entities which are associates of the Book Running Lead Manager nor; (ii) any "person related to the Promoters and members of the Promoters Group" shall apply in the issue under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters and members of the Promoters Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters and members of the Promoters Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Our Promoters and members of our Promoters Group will not participate in the issue.

#### **APPLICATION BY MUTUAL FUNDS**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company in consultation with the Book Running Lead Manager, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made. As per the current regulations, the following restrictions are applicable for investments by mutual funds.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **APPLICATION BY HUFs**

Applications by HUF can be made in the individual name of the Karta. The Applicant should specify that the

Application is being made in the name of the HUF in the Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Applications by HUFs may be considered at par with Applications from individuals.

#### **APPLICATION BY ELIGIBLE NRIs**

Eligible NRIs may obtain copies of the Application Form from the Designated Intermediaries. Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Applicant applying on a repatriation basis by using the Non-Resident Form should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs using the UPI Mechanism) to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and Eligible NRI Applicant applying on a non-repatriation basis by using Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs applying using the UPI Mechanism) to block their Non-Resident Ordinary (“NRO”) accounts for the full Application Amount, at the time of the submission of the Application Form. However, NRIs applying in the issue through the UPI Mechanism are advised to enquire with the relevant bank where their account is UPI linked prior to submitting their application.

Bids by Eligible NRIs and Category III FPIs for a Bid Amount of less than ₹ 2,00,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 2,00,000 would be considered under the Non-Institutional Category for allocation in the issue.

In case of Eligible NRIs bidding under the Retail Category through the UPI mechanism, depending on the nature of the investment whether repatriable or non-repatriable, the Eligible NRI may mention the appropriate UPI ID in respect of the NRE account or the NRO account, in the Application Form.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated May 03, 2000, to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis. Allotment of Equity shares to non-residents Indians shall be subject to the prevailing Reserve Bank of India guidelines. Sale proceeds of such investments in equity shares will be allowed to be repatriated along with an income thereon subject to permission of the RBI and subject to the Indian Tax Laws and Regulations and any other applicable laws. The company does not require approvals from FIPB or RBI for the issue of equity shares to eligible NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and multi-lateral and Bi-lateral development financial institutions.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in color). Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for non-Residents (blue in color).

For further details, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 263 of this Draft Red Herring Prospectus.

#### **APPLICATION BY FIIs/ FPIs**

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered 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 sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the issue until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.



In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-issue Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI, or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all 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 sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of 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.

Further, pursuant to the Master Directions on Foreign Investment in India issued by the RBI dated January 4, 2018 (updated as on March 8, 2019) the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

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, a FPI, other than Category III foreign portfolio investor 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, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only 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. Further, pursuant to a Circular dated November 24, 2014, issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. 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. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

The FPIs who wish to participate in the issue are advised to use the Application Form for non-residents. FPIs are required to apply through the ASBA process to participate in the issue.

#### **APPLICATION BY SEBI REGISTERED AIF, VCF AND FVCI**

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the “**SEBI VCF Regulations**”) and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, among other things prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the “**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. 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 Regulations

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 Book Running Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of the certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form, failing which, our Company in consultation with the Book Running Lead Manager, reserves the right to reject any Application, without assigning any reason thereof.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of the certificate of registration issued by IRDA must be attached to the Application Form, failing which, our Company in consultation with the Book Running Lead Manager reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“**IRDAI Investment Regulations**”) are set forth below:

- (a) Equity shares of a company: the lower of 10%\* of the investee company’s outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or a reinsurer;
- (b) The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) The industry sector in which the investee company operates; not more than 15% of the respective fund of a life insurer or a reinsurer or health insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

*\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,50,00,000 Lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹50,00,000 Lakhs or more but less than ₹2,50,00,000 Lakhs.*

Insurer companies participating in this issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDA from time to time, including the IRDA Investment Regulations.

#### **APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS**

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹25 crores, a certified copy of the certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, the Company, in consultation with the Book Running Lead Manager, reserves the right to reject any application, without assigning any reason thereof.

## **APPLICATIONS BY BANKING COMPANIES**

In case of Applications 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 must to be attached to the Application Form, failing which our Company, in consultation with the Book Running Lead Manager, reserves the right to reject any Application without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("**Banking Regulation Act**"), and the Reserve Bank of India ("**Financial Services provided by Banks**") Directions, 2016, as amended, 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. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee Company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

## **APPLICATION BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Applications made by systemically important non-banking financial companies registered with RBI, certified copies of: (i) the certificate of registration issued by the RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditors, and (iii) such other approval as may be required by the Systemically Important NBFCs must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Manager, reserves the right to reject any Application, without assigning any reason thereof. Systemically Important NBFCs participating in the issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

## **APPLICATIONS BY SCSBs**

SCSBs participating in the issue must comply with the terms of the SEBI circulars Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012, and January 2, 2013, respectively. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public Issue and clear demarcated funds should be available in such account for such applications.

The information set out above is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that any single application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as specified in this Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus.

## **APPLICATION UNDER POWER OF ATTORNEY**

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹2500 Lakhs (subject to applicable laws) and pension funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable laws), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason, therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a) With respect to applications by VCFs, FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (b) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (c) With respect to applications made by provident funds with minimum corpus of ₹ 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 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 Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.
- (d) With respect to 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.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the BRLM may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the issue that, for the purpose of mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

*The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure any single Application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus, Red Herring Prospectus or the Prospectus.*

## **MAXIMUM AND MINIMUM APPLICATION SIZE**

### **For Retail Individual Investors**

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 Applicant does not exceed ₹2.00 lakhs. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed ₹2.00 lakhs.

### **For Other than Retail Individual Investors (Non-Institutional Investors and QIBs)**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹2.00 lakhs 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 the existing SEBI ICDR Regulations, a QIB Applicant cannot withdraw its Application after the issue Closing Date and is required to pay 100% QIB Margin upon submission of the Application.

In case of revision in Applications, the Non-Institutional Investors, who are individuals, must ensure that the Application Amount is greater than ₹2.00 lakhs for being considered for allocation in the Non-Institutional

Portion.

**Applicants 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 Applicants. The Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

**INFORMATION FOR THE APPLICANTS:**

- (a) Our Company and the Book Running Lead Manager shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date in the 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.
- (b) Our Company will file a copy of Red Herring Prospectus with the Registrar of Companies, Mumbai, at least 3 (three) days before the issue Opening Date.
- (c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Draft Red Herring Prospectus/ Red Herring Prospectus and/ or the Application Form can obtain the same from our Registered Office/Corporate Office or from the office of the BRLM.
- (d) Copies of the Bid Cum Application Form along with Abridged Prospectus and copies of the Red Herring Prospectus will be available with the, Book Running Lead Manager, the Registrar to the Issue and at the Registered Office/ Corporate Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
- (e) Applicants who are interested in subscribing for the Equity Shares should approach the BRLM or their authorized agent(s) to register their applications.
- (f) Bid Cum Application Form 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.
- (g) 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.
- (h) Applicants 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.
- (i) 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 applications 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 in 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.
- (j) The Applicants 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.
- (k) Applications made in the name of minors and/ or their nominees shall not be accepted.

### **INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM**

The Bids should be submitted on the prescribed Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid cum application form. Bids not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSB 's. ASBA Application Forms, which do not bear the stamp of the SCSB, will 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 application forms in public issues using the stockbroker (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 at [www.bseindia.com](http://www.bseindia.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 website of BSE i.e. [www.bseindia.com](http://www.bseindia.com).

### **BIDDER'S DEPOSITORY ACCOUNT AND BANK DETAILS**

Please note that, providing bank account details, PAN Numbers, Client ID and DP ID in the space provided in the Bid cum application form is mandatory and Bids that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, 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'). Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs / Allocation 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 Bidders 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 BIDS**

1. During the Bid/ Issue period, Bidders may approach any of the Designated Intermediaries to register their Bids.
2. In case of Bidders (excluding NIIs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
3. For Details of the timing on acceptance and upload of Bids in the Stock Exchange Platform Bidders are requested to refer to the Draft Red Herring Prospectus.

### **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:

1. 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 (2) below;
2. 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)

1. 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:

- not more than 60% of the QIB Portion will be allocated to Anchor Investors;
- 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 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.

2. 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.

3. 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.

4. 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.

5. 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 SME Platform of BSE Limited ("BSE SME") (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 Draft Red Herring Prospectus.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the SME Platform of BSE Limited ("BSE SME").

The Executive Director / Managing Director of the SME Platform of BSE Limited ("BSE SME") - 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.

## **INFORMATION FOR BIDDERS**

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchange to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the BRLM are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the 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 the Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

## **GENERAL INSTRUCTIONS**

### **Do's:**

1. Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus and under applicable laws, rules, regulations, guidelines and approvals; All Applicants should submit their applications through the ASBA process only;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that the details about the PAN, DP ID, Client ID and Bank Account Number (UPI ID, as applicable) are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
4. All Bidders should submit their Bids through the ASBA process only
5. Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre

6. In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Application Form;
7. Bidders (other than RIIs bidding through the non-UPI Mechanism) should submit the Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations. RIIs bidding through the non-UPI Mechanism should either submit the physical Application Form with the SCSBs or Designated Branches of SCSBs under Channel I (described in the UPI Circulars) or submit the Application Form online using the facility of 3-in 1 type accounts under Channel II (described in the UPI Circulars);
8. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than RIBs using the UPI Mechanism) in the Application Form;
9. RIBs using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Application Form;
10. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the Bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
11. RIBs bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the issue;
12. RIBs submitting an Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid is listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
13. RIBs submitting a Bid-cum Application Form to any Designated Intermediary (other than SCSBs) should ensure that only UPI ID is included in the Field Number 7: Payment Details in the Application Form;
14. RIBs using the UPI Mechanism shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI;
15. If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
16. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Application Forms
17. QIBs and Non-Institutional Bidders should submit their Bids through the ASBA process only. Pursuant to SEBI circular dated November 01, 2018 and July 26, 2019, RII shall submit their bid by using UPI mechanism for payment;
18. Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the 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;
19. Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your Bid options;
20. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified

- Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
21. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
  22. Bidders, other than RIBs using the UPI Mechanism, shall ensure that they have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;
  23. 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 I.T. 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;
  24. Ensure that the Demographic Details are updated, true and correct in all respects;
  25. 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;
  26. Ensure that the category and the investor status is indicated;
  27. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
  28. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
  29. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
  30. Ensure that the Application Forms are delivered by the Bidders within the time prescribed as per the Application Form and the Draft Red Herring Prospectus;
  31. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Application Form;
  32. 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;
  33. 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;
  34. Ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA

35. Account equivalent to the Bid Amount mentioned in the Application Form at the time of submission of the Bid;
36. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
37. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Application Form;
38. RIBs shall ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank before 5:00 p.m. before the Bid / Issue closing Date;
39. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
40. RIBs using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner; and
41. Bids by Eligible NRIs and HUFs for a Bid Amount of less than ₹ 2,00,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding ₹ 2,00,000 would be considered under the Non-Institutional Portion, for the purposes of allocation in the issue.

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, is liable to be rejected

**Don't's:**

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest or any mode, other than blocked amounts in the bank account maintained with SCSB;
4. RIBs should not submit a Bid using the UPI Mechanism, unless the name of the bank where the bank account linked to your UPI ID is maintained, is listed on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> ;
5. RIBs should not submit a Bid using the UPI Mechanism, using a Mobile App or UPI handle, not listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> ;
6. Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
7. Do not submit the Application Forms to any non-SCSB bank or our Company;

8. Do not apply on Application Form that does not have the stamp of the relevant Designated Intermediary;
9. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
10. Do not submit more than one Application Form per ASBA Account;
11. Do not apply for an Application Amount exceeding ₹200,000 (for Applications by Retail Individual Investors);
12. Do not fill up the Application Form such that the Equity Shares applied for exceeds the issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Red Herring Prospectus;
13. Do not submit the General Index Register number instead of the PAN as the application is liable to be rejected on this ground;
14. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the issue;
15. Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant;
16. All investors submit their applications through the ASBA process only except as mentioned in SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 & SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021;
17. Do not apply 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);
18. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Applications submitted by Retail Individual Investor using the UPI mechanism;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

## **OTHER INSTRUCTION FOR BIDDERS**

### **Joint Applications in the case of Individuals**

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.

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### **Multiple Applications**

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares

required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the issue to detect multiple applications are given below:

- (a) All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.
- (b) Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- (c) Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of know your client's norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the BRLM reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the issue to detect multiple applications is given below:

- (i) All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
- (ii) For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

#### **PERMANENT ACCOUNT NUMBER OR PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 02, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Bid submitted without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

## **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the Book Running Lead Manager, may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Investors who applied, the Company has a right to reject Applications based on technical grounds.

## **GROUND FOR TECHNICAL REJECTIONS**

In addition to the grounds for rejection of Application on technical grounds as provided in the “*General Information Document*”, Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

1. Bids submitted without instruction to the SCSBs to block the entire Application Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by RIBs with Bid Amount of a value of more than ₹ 2,00,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock invest, money order, postal order or cash; and
14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Issue closing Date, unless extended by the Stock Exchange.
15. Applications by OCBs;

## **SIGNING OF UNDERWRITING AGREEMENT**

Our company has entered into an Underwriting Agreement dated July 19, 2024.

## **FILING OF THE RED HERRING PROSPECTUS WITH THE ROC**

A copy of the Prospectus will be filed with the ROC in terms of Section 26 of Companies Act.

## **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL/ CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in process of entering following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (i) We have entered into a tripartite agreement between NSDL, the Company and the Registrar to the issue on July 10, 2024.
- (ii) We have entered into a tripartite agreement between CDSL, the Company and the Registrar to the issue on July 03, 2024.

The Company's International Securities Identification Number (ISIN) is INEOYRO01015.

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

## **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 Applicants.

SCSBs or Sponsor Bank 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 or Sponsor Bank.

The applicants should note that the arrangement with Bankers to the issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the issue and the Registrar to the issue to facilitate collections from the Applicants.

## **PAYMENT MECHANISM**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form sent by the Sponsor Bank. The SCSB or Sponsor Bank shall keep the Application Amount in the relevant bank account blocked until withdrawal / rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Individual Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful



Application Forms, the Registrar to the issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal / failure of the issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and the SEBI ICDR Regulations, all 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 or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 5,00,000, may use UPI.

#### **PAYMENT BY STOCK INVEST**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 05, 2003; the option to use the stock invest instrument in lieu of cheques or banks for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this issue.

#### **PAYMENT INTO ESCROW ACCOUNT(S) FOR ANCHOR INVESTORS**

Our Company, in consultation with the BRLM, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favor of:

- (a) In case of resident Anchor Investors: “[●]”; and
- (b) In case of Non-Resident Anchor Investors: “[●]”.

Anchor Investors should note that the escrow mechanism is not prescribed by the SEBI and has been established as an arrangement between our Company and the Syndicate, if any the Escrow Collection Bank and the Registrar to the issue to facilitate collections of Bid amounts from Anchor Investors.

#### **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 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 (i) all editions of English National Newspaper; (ii) all editions of Hindi National Newspaper; and (iii) Regional Newspaper where registered office of the Company is situated, each with wide circulation. In the pre-issue advertisement, we shall state the Bid/ Issue opening Date and the Bid/ Issue closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013 and Regulation 264 of SEBI (ICDR) Regulations, 2018, shall be in the format prescribed in Part A of Schedule VI of the SEBI Regulations.

#### **ISSUANCE OF ALLOTMENT ADVICE**

On the Designated date, the SCSBs shall transfer the funds represented by allocation of equity shares into public issue account with the banker to the issue. Upon approval of the basis of the allotment by the Designated Stock Exchange, the Registrar to the issue shall upload the same on its website. On the basis of approved basis of allotment, the issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their respective depository participants to accept the equity shares that may be allotted to them pursuant to the issue. Pursuant to confirmation of such corporate actions the Registrar to the issue will dispatch allotment advice to the applicants who have been allotted equity shares in the issue. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.

The Company will issue and dispatch letters of allotment/ securities certificates and/ or letters of regret or credit the allotted securities to the respective beneficiary accounts, if any within a period of 2 working days of the issue Closing Date. The issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

#### **DESIGNATED DATE**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 2 working days of the issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

#### **NAMES OF ENTITIES RESPONSIBLE FOR FINALISING THE BASIS OF ALLOTMENT IN A FAIR AND PROPER MANNER**

The authorized employees of the Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **METHOD OF ALLOTMENT AS MAY BE PRESCRIBED BY SEBI FROM TIME TO TIME**

Our Company will not make any allotment in excess of the Equity Shares issued through the issue document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. The allotment of Equity Shares to applicants other than to the Retail Individual Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size.

#### **ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA)**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Applicants 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 Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

#### **METHOD AND PROCESS OF APPLICATIONS**

1. The Designated Intermediaries shall accept applications from the Applicants during the issue Period.
2. The issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue period not exceeding 10 Working Days.
3. During the issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.

4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediary will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediary shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediary shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/ allotted. Such Acknowledgement will be non-negotiable and by itself will not create any obligation of any kind. When a Applicant revises his or her Application (in case of revision in the Price), he /she shall surrender the earlier Acknowledgement Slip and may request for a revised TRS from the relevant Designated Intermediary as proof of his or her having revised the previous Application.
10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue account. In case of withdrawal/ failure of the issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the issue.

#### **ELECTRONIC REGISTRATION OF APPLICATIONS**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to:
  - (i) applications accepted by them;
  - (ii) applications uploaded by them;
  - (iii) applications accepted but not uploaded by them; or
  - (iv) with respect to applications by Applicants, applications accepted and uploaded by any

Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts.

In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.

4. Neither the 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) applications accepted by any Designated Intermediaries;
  - (ii) applications uploaded by any Designated Intermediaries; or
  - (iii) 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 the 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 Applicants, at the time of registering such applications, the Syndicate Bankers, DPs and RTAs shall forward a Schedule as per format given along with the Application Forms to Designated Branches of the SCSBs for blocking of funds.
7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
  - (a) Name of the Applicant;
  - (b) IPO Name;
  - (c) Application Form Number;
  - (d) Investor Category;
  - (e) PAN (of First Applicant, if more than one Applicant);
  - (f) DP ID of the demat account of the Applicant;
  - (g) Client Identification Number of the demat account of the Applicant;
  - (h) Number of Equity Shares Applied for;
  - (i) Bank Account details;
  - (j) Locations of the Banker to the issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - (k) Bank account number.
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Individual Investors and Retail Individual Investors, 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 Promoters OR 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 1.00 p.m. on the next working day after the issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the issue Period, after which the Registrar to the issue will receive this data from the Stock Exchange and will validate the electronic application details with the Depository's records. In case no corresponding record is available with the Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the issue Closing Date to send confirmation of funds blocked (Final certificate) to the Registrar to the issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC**

Our company has entered into an Underwriting Agreement dated July 19, 2024.

A copy of the Prospectus will be filed with the ROC in terms of Section 26 of Companies Act.

#### **ISSUANCE OF ALLOTMENT ADVICE IN THE ISSUE**

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Book Running Lead Manager or Registrar to the issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the issue.
2. On the basis of approved Basis of Allotment, the issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. The Book Running Lead Manager or the Registrar to the issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.
3. The issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 2 Working Days of the issue Closing date. The issuer also ensures that credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue account to Public Issue account of the issuer.

#### **DESIGNATED DATE**

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into the 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 4 Working Days of the issue Closing Date. The Company will intimate details of allotment of securities to the Depository immediately on allotment of securities under the relevant provisions of the Companies Act or other applicable provisions, if any.

## PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 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 (i) all editions of English National Newspaper; (ii) all editions of Hindi National Newspaper; and (iii) Regional Newspaper where registered office of the Company is situated, each with wide circulation.

## GROUND FOR TECHNICAL REJECTIONS

In addition to the grounds for rejection of Application on technical grounds as provided in the “*General Information Document*”, Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

1. Applications submitted without instruction to the SCSBs to block the entire Application Amount;
2. Applications submitted by Applicants which do not contain details of the Application Amount and the bank account details / UPI ID in the Application Form;
3. In case of partnership firms, Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
4. In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents have not been submitted along with the Application Form;
5. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
6. Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
7. DP ID and Client ID not mentioned in the Application Form;
8. ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Application Form;
9. Applications for lower number of Equity Shares than the minimum specified for that category of investors;
10. The amounts mentioned in the Application Form does not tally with the amount payable for the value of the Equity Shares Applied for;
11. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
12. Applications submitted on a plain paper;
13. Applications submitted by Retail Individual Investors using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
14. Applications submitted by Retail Individual Investors using third party bank accounts or using a third party linked bank account UPI ID;
15. Applications by HUFs not mentioned correctly as given in the sub-section “*Who can Apply?*” on page 230 of this Draft Red Herring Prospectus;
16. Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
17. Application submitted without the signature of the First Applicant or sole Applicant;
18. Applications by a person for whom PAN details have not been verified and whose beneficiary accounts are ‘suspended for credit’ in terms of SEBI circular No. (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
19. GIR number furnished instead of PAN;
20. Application by Retail Individual Investors with Application Amount for a value of more than ₹2,00,000;
21. Applications by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
22. Applications by Applicants accompanied by cheques or demand drafts;
23. Applications accompanied by stock invest, money order, postal order or cash;
24. Application by OCB.

For further details of grounds for technical rejections of Application Form, please refer to the General Information Document and UPI Circulars.

For details of instruction in relation to the Application Form, please refer to the General Information Document and UPI Circulars.

## **APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS**

Please note that providing bank account details, PAN No's, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (**hereinafter referred to as 'Demographic Details'**). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the issue, the required Demographic Details as available on its records.

## **SUBMISSION OF APPLICATION FORM**

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

## **COMMUNICATIONS**

All future communications in connection with Applications made in this issue should be addressed to the Registrar to the issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the issue in case of any pre-issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

## **DISPOSAL OF APPLICATION AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY**

The Company shall ensure 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 1 (one) working day of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of necessary formalities for listing and commencement of trading at BSE SME where the Equity Shares are proposed to be listed are taken within 3 (Three) Working Days from Issue closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

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 the SEBI (ICDR) Regulations, the Companies Act and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

## **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the Book Running Lead Manager, may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Investors who applied, the Company has a right to reject Applications based on technical grounds.

## **INVESTOR GRIEVANCE**

In case of any pre-issue or post-issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors may reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, please refer to the chapter titled “*General Information- Company Secretary and Compliance Officer*” on page 56 of this Draft Red Herring Prospectus.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in its sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

## **IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

*“Any person who:*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
  - (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
  - (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*
- shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 10 Lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 10 Lakhs or 1% of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50 Lakhs or with both.

## **DEPOSITORY ARRANGEMENTS**

The Allotment of the Equity Shares in the issue shall be only in a dematerialized form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed amongst our Company, the respective Depositories and the Registrar to the issue:

1. Agreement dated July 10, 2024, among NSDL, our Company and the Registrar to the issue.
2. Agreement dated July 03, among CDSL, our Company and Registrar to the issue.

Our Company's equity shares bear an ISIN No. INE0YRO01015.



## **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

1. That the complaints received in respect of the issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for 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 (3) Working Days from Issue closing date.
3. If our Company does not proceed with the issue after the 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 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;
4. 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;
5. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
6. That our Promoter's contribution in full has already been brought in;
7. 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, under subscription etc.;
8. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
9. 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;
10. If our Company withdraws the issue after the 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;
11. If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI Regulations and applicable law for the delayed period;
12. The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time; and
13. None of the promoters or directors of the company is a willful defaulter under Section 5(c) of SEBI (ICDR) Regulations, 2018.

## **UTILISATION OF NET 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 Section 40(3) of the Companies Act;
2. Details of all monies utilized out of the issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. Details of all unutilized monies out of the issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested;
4. 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.

## 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. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. The RBI and the concerned ministries/ departments are responsible for granting approval for foreign investment.

The Government of India makes policy announcements on FDI through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India (“DPIIT”) issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the “FDI Policy”), which consolidates and supersedes all previous press note, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Issue shall be on the basis of the FEMA rules. Further in terms of Press Note 3 of 2020, dated April 17, 2020 (“**Press Note**”), issued by the DPIIT, the FDI Policy and the FEMA NDI Rules has been amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Further, in accordance with the amendment to the Companies (Share Capital and Debentures) Rules, 2014 vide notification dated May 4, 2022 issued by Ministry of Corporate Affairs, a declaration shall be inserted in the share transfer form stipulating whether government approval shall be required to be obtained under Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to transfer of shares, as applicable. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Issuer in writing about such approval along with a copy thereof within the Issue Period.

In accordance with the FEMA Non-debt Instruments Rules and FDI Policy read with Press Note, 100% foreign direct investment is permitted under the automatic route for companies in the “manufacturing” sector. Further, transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see “*Issue Procedure – Bids by Eligible NRIs and Category III FPIs*” on page 237.

In accordance with the existing policy of the Government of India, OCBs cannot participate in this Issue.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States, and, unless so registered, may not be Issued or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being Issued and sold only (a) to persons in the United States that are “qualified institutional**

buyers” (as defined in and in reliance on Rule 144A) and referred to in this Draft Red Herring Prospectus as “U.S. QIBs” and, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”) in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and (b) outside the United States in “offshore transactions” (as defined in Regulation S) in reliance on Regulation S and the applicable laws of the jurisdiction where those Issues and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and Bids may not be made by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations, seek independent legal advice about its ability to participate in the Issue and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

## SECTION VIII: PROVISIONS OF THE ARTICLES OF ASSOCIATION

### THE COMPANIES ACT, 2013 COMPANY LIMITED BY SHARES

#### ARTICLES OF ASSOCIATION OF \* SHIV TEXCHEM LIMITED

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the Extra Ordinary General Meeting of the Company held on **11<sup>th</sup> June, 2024** in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company and amended vide Annual General Meeting of the Company held on **July 10, 2024**.

*Note: While the Amended Articles of Association have been adopted in the general meeting of our Company, we are yet to receive approval for the same.*

#### Interpretation

- I.
  1. In these Articles —
    - a. “Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.
    - b. “Articles” means these articles of association of the Company or as altered from time to time.
    - c. “Board of Directors” or “Board”, means the collective body of the directors of the Company.
    - d. “Company” means **SHIV TEXCHEM LIMITED**
    - e. “Depositories Act” means the Depositories Act, 1996, or any statutory modification or re-enactment thereof, for the time being in force.
    - f. “Depository” means a depository as defined under Section 2(1)(e) of the Depositories Act.
    - g. “Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act.
  2.
    - a. Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.
    - b. Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.

#### Share capital and variation of rights

- II.
  1. 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 Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
  2.
    - i. Every person whose name is entered as a member in the register of members shall be entitled to receive *within two months after allotment* or within one month from the date of receipt by

the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide -

- 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 such charges as may be fixed by the Board for each certificate after the first.
- ii. Every certificate 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.
  - iv. Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them.  
If any share stands in the names of two or more persons, the person first named in the Register shall as regards receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations. That registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever;
  - v. Any member of the Company shall have the right to sub-divide, split or consolidate the total number of shares held by them in any manner and to request the Company to provide certificate(s) evidencing such sub-division, split or consolidation
3. 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 Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.
  4. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.  
Provided that except with the sanction of the General Meeting, No option or right to call shall be given to any person by the board.
  5.
    - i. The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, 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 the Act and the Rules.
    - ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.
    - 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.
  6.
    - 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 the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.
    - ii. To every such separate meeting, the provisions of these Articles relating to general meetings

shall *mutatis mutandis* apply.

7. 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.
8.
  - i. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share. In such a situation, the rights and obligations of the parties concerned and matters connected therewith shall be governed by the provisions of the Depositories Act, 1996, as amended from time to time, or any statutory modification thereto or re-enactment thereof.
  - ii. Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.
  - iii. The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to –
    - a. persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favor of any other person; or
    - b. employees under any scheme of employees' stock option; or
    - c. Any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above
  - iv. A further issue of securities may be made in any manner whatsoever as the Board may determine including by way of Right Issue or preferential offer or private placement or Initial Public Offering (IPO) subject to and in accordance with the Companies Act 2013 & the Rules made thereunder, SEBI regulations and FEMA Regulations.
  - v. The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

#### **Lien**

9.
  - 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.
    - b. on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company:  
Provided that the Board 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 or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.
  - iii. Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.
10. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

- a. unless a sum in respect of which the lien exists is presently payable; or
  - b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.
11.
    - 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 receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.
    - iv. 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 with reference to the sale.
  12.
    - 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.
    - iii. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
    - iv. The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

#### **Calls on shares**

13.
  - i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.
  - 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. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.
  - iv. A call may be revoked or postponed at the discretion of the Board.
14. 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.
15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

16.
  - i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the “due date”), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.
  - ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.
17.
  - 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 Articles, 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 Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified
18.
  - i. 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 as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.
  - ii. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.
  - iii. All calls shall be made on a uniform basis on all shares falling under the same class.  
*Explanation:* Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.
  - iv. Neither a judgment nor a decree in favor of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.
  - v. The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.
  - vi. Where capital is paid in advance of calls on the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to participate in profits.

#### **Transfer of shares**

19.
  - i. The Securities or other interest of any Member shall be freely transferable, provided that any contract or arrangement between 2 (two) or more Persons in respect of transfer of Securities shall be enforceable as a contract. A common form of transfer shall be used in case of transfer of Shares. The instrument of transfer shall be in writing and shall be executed by or on behalf of both the transferor and transferee and shall be in conformity with all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of Shares and the registration thereof.
  - ii.
    - a. The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.
    - b. 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.

20. The Board may, subject to the right of appeal conferred by the Act 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.
21. 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 of the Act;
  - 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
22.
  - i. Where Shares are converted into stock:
    - a. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the Shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the Shares from which the stock arose.
    - b. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.
  - ii. Save as otherwise provided in the Act or any applicable Law, no transfer of a Share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate or certificates of Shares, and if no such certificate is in existence, then the letter of allotment of the Shares. Application for the registration of the transfer of a Share may be made either by the transferor or by the transferee provided that where such application is made by the transferor, no registration shall, in the case of a partly paid Share be affected unless the Company gives notice of the application to the transferee in the manner prescribed under the Act, and subject to the provisions of the Articles, the Company shall, unless objection is made by the transferee, within 2 (two) weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee. On giving not less than 7 (seven) days previous notice in accordance with the Act or any other time period as may be specified by Law, 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 30 (thirty) days at any one time or for more than 45 (forty-five) days in the aggregate in any year.
  - iii. Subject to the provisions of the Act, the Articles, the Securities (Contracts) Regulation Act, 1956, as amended, any listing agreement entered into with any recognized stock exchange and other applicable provisions of the Act or any other law for the time being in force, the

Board may refuse whether in pursuance of any power of the Company under the Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares or other securities.

- iv. Only fully paid Shares or Debentures shall be transferred to a minor acting through his/ her legal or natural guardian. Under no circumstances, Shares or Debentures be transferred to any insolvent or a person of unsound mind.
- v. The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register, shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.
- vi. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other documents.
- vii. The Company may close the register of Members or the register of debenture-holders or the register of other security holders for any period or periods not exceeding in the aggregate forty-five days in each year, but not exceeding thirty days at any one time, subject to giving of previous notice of at least 7 (seven days) or such lesser period as may be specified by SEBI.
- viii. The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

#### **Transmission of Shares**

- 23.
  - i. On the death of a Member, the survivor or survivors where the Member was a joint holder of the Shares, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only Person(s) recognised 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.
- 24.
  - 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.All the limitations, restrictions and provisions of the Articles 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.
  - 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.
  - iii. The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

25.
  - 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.
26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

27. The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.

#### **Forfeiture of shares**

28. If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.
29. The notice aforesaid shall:
  - a. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - b. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
30. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
31.
  - i. A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.
  - ii. At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
32.
  - 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, and shall 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. All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.
  - iii. 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.
- 33.
- 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, re-allotment or disposal thereof and may execute a transfer of the share in favor 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, re-allotment or disposal of the share.
  - v. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
  - vi. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
- 34.
- i. Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture. Provided, there shall be no forfeiture of unclaimed dividend before the claim for such dividend becomes barred by law. The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company.
  - ii. When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.
  - iii. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
  - iv. The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.
  - v. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

- vi. The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

#### **Alteration of capital**

35. Subject to the provisions of the Act, the Company may, by ordinary resolution –
- a. increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
  - b. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:
  - c. Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
  - d. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - e. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - f. 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.
36. Where shares are converted into stock:
- a. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:  
  
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;
  - b. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;
  - c. such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/“member” shall include “stock” and “stock-holder” respectively.
37. The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, —
1. its share capital; and/or
  2. any capital redemption reserve account; and/or
  3. any securities premium account; and/or
  4. any other reserve in the nature of share capital.
38. Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:
- a. The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share
  - b. On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

- c. Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share
- d. Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.
- e. Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.
- f. Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.
- g. The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names.

### **Capitalization of Profit**

- 39. i. The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve —
  - a. That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
  - b. That such sum be accordingly set free for distribution in the manner specified in clause (ii) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions
- ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii) below, either in or towards :
  - a. paying up any amounts for the time being unpaid on any shares held by such members respectively.
  - b. paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid.
  - c. Partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).
- iii. A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
- iv. The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
- 40. i. Whenever such a resolution as aforesaid shall have been passed, the Board shall –
  - a. make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, 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 coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
  - b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited

as fully paid-up, of any further shares or other securities 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.

#### **Buy Back of Shares**

- 41. Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

#### **General- Meeting**

- 42. All general meetings other than annual general meeting shall be called extraordinary general meeting.

- 43. The Board may, whenever it thinks fit, call an extraordinary general meeting.

#### **Proceedings at general meetings**

- 44.
  - 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. No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.
  - iii. The quorum for a general meeting shall be as provided in the Act.
- 45. The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.
- 46. 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.
- 47.
  - i. 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, by poll or electronically, choose one of their members to be Chairperson of the meeting.
  - ii. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
- 48.
  - i.
    - a. The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept or that purpose with their pages consecutively numbered.
    - b. There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting-
      - I. Is, or could reasonably be regarded, as defamatory of any person; or
      - II. Is irrelevant or immaterial to the proceedings; or
      - III. Is detrimental to the interests of the Company
    - c. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.

- d. The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
- ii.
  - a. The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:
    - I. be kept at the registered office of the Company; and
    - II. be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.
  - b. Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above:

Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

- iii. The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

#### **Adjournment of meeting**

- 49. i. The Chairperson may, suo -motu, 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 save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### **Voting Rights**

- 50. i. 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.
- 51. A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
- 52. 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.
- 53. i. 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. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.



- ii. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
54. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
55. 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 or in regard to which the Company has exercised any right of lien.
56. i. A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.
- ii. Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

#### **Proxy**

57. i. Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.
- ii. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy or 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, and in default the instrument of proxy shall not be treated as valid.
58. An instrument appointing a proxy shall be in the form as prescribed in the Rules.
59. A vote given in accordance with the terms of an instruments of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:
- Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **Board of Directors**

60. Unless otherwise determined by the company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 14 (fourteen)
61. 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. The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary or Special resolution as applicable passed by the Company in general meeting.

- iii. 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
  
- 62. The same individual may, at the same time, be appointed as the Chairperson of the company as well as the Managing Director or Chief Executive Officer or Wholetime Director of the Company.
  
- 63. i. 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.
- ii. The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.
  
- 64. i. Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
- 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.
  
- 65. i. The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.
- ii. An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.
- iii. If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.
  
- 66. i. If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be called by the Board of Directors at a meeting of the Board.
- ii. The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.

#### **Proceeding of Board**

- 67. i. The Board of Directors shall meet at least once every calendar quarter and there shall be at least 4 (four) Board meetings in every calendar year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.
- ii. A Board Meeting may be called by the Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board by giving notice in writing

to the other directors specifying the date, time, venue and agenda for such Board Meeting. Except if approved by all the directors of the Company, no resolution may be passed at a meeting of the Board unless the nature of the business has been specified in the agenda.

A minimum of 7 (Seven) days' prior written notice shall be given to each director of any Board Meeting, accompanied by the agenda (specifying in reasonable detail the business of such meeting and attaching copies of all papers relevant for such meeting) for the Board Meeting, unless a majority of the directors shall have given written approval for a meeting at shorter notice.

- iii. Subject to the provisions of the Act and provisions of Articles, the quorum for a Board Meeting or a meeting of the Board shall be one-third of its total strength (any fraction contained in that one third being rounded off to the next higher number) or 2 (Two) Director or, whichever is higher.
  - iv. The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
68. 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.
69. 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.
70. i. The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold of office.
- ii. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
71. 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.
- iii. The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
72. i. A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.
- ii. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
73. 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.
  - iii. In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.
74. 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 or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
75. Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of 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.
76. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

**Chief Executive officer, Manager, Company Secretary and Chief financial Officer**

77. Subject to the provisions of the Act,—
- a. A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses
  - b. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
78. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary and 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 and chief financial officer.

**The Seal**

79. The Company shall not have any Common Seal

**Dividend and Reserve**

80. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.

81. Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.
82. 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 applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising 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.
83. 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.
84. i. 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.
- ii. The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.
85. i. Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- ii. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- iii. Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.
86. 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.
87. The waiver in whole or in part of any dividend on any share by any document shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

88. No dividend shall bear interest against the Company.

#### **Accounts**

89. i. The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.
- ii. No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorized by the Board.

#### **Winding Up**

90. i. Subject to the applicable provisions of the Act and the Rules made thereunder –  
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.

#### **Indemnity**

91. a. Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses
- b. Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.
- c. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

#### **Others**

92. i. Nomination by Securities Holders
- a. Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the

event of his death.

- b. Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities of the Company shall vest in the event of death of all the joint holders.
- c. Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.
- d. Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the period of minority.
- e. The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

ii. Underwriting, Commission and Brokerage

- a. The company may pay commission to any person in connection with the subscription or procurement of subscription to its securities, whether absolute or conditional, subject to the following conditions, namely
  - I. the payment of such commission shall be authorized in the company's articles of association
  - II. the commission may be paid out of proceeds of the issue or the profit of the company or both
  - III. the rate of commission paid or agreed to be paid shall not exceed, in case of shares, five percent of the price at which the shares are issued or a rate authorised by the articles, whichever is less, and in case of debentures, shall not exceed two and a half per cent of the price at which the debentures are issued, or as specified in the company's articles, whichever is less
  - IV. the prospectus of the company shall disclose
    - the name of the underwriters
    - the rate and amount of the commission payable to the underwriter; and
    - the number of securities which is to be underwritten or subscribed by the underwriter absolutely or conditionally. Lieu of Prospectus and filed before the payment of the commission with the Registrar and where a circular or notice not being a prospectus inviting subscription for the shares or debentures is issued is also disclosed in that circular or notice;
  - V. there shall not be paid commission to any underwriter on securities which are not offered to the public for subscription;
- b. Save as aforesaid and save as provided in Section 53 of the Act, the Company shall not allot any of its shares or debentures or apply any of its moneys, either directly or indirectly, in payment of any commission, discount or allowance, to any person in consideration of :

his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in, or debentures of the Company whether the shares, debentures or money be so allotted or applied by, being added to the purchase money of any property acquired

- by the Company or to the contract price of any work to be executed for the Company, or the money be paid by as the nominal purchase money or contract price, or otherwise.
- c. Nothing in this Article shall affect the power of the Company to pay such brokerage as it has hereto before been lawful for the Company to pay.
  - d. The commission may be paid or satisfied (subject to the provisions of the Act and these articles) in cash, or in shares, debentures or debenture-stocks of the Company.

iii. Registers

- a. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The index of beneficial owners shall also be in compliance with the Depositories Act, 1996 with details of shares held in dematerialised forms in any medium as may be permitted by law, including in any form of electronic medium.
- b. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

iv. Dematerialisation of Shares

- a. The Company shall be entitled to treat the Person whose name appears on the register of Members as the holder of any Share or whose name appears as the Beneficial Owner of Shares in the records of the Depository, as the absolute owner thereof.

Provided however that provisions of the Act or the Articles relating to distinctive numbering shall not apply to the Shares of the Company, which have been dematerialized.

- b. Notwithstanding anything contained herein, but subject to the provisions of the Law, the Company shall be entitled to dematerialize its Shares, Debentures and other Securities pursuant to the Depositories Act and offer its Shares, Debentures and other Securities for subscription in a dematerialized form. The Company shall be further entitled to maintain a register of Members with the details of Members holding Shares both in material and dematerialized form in any medium as permitted by Law including any form of electronic medium. The Company or a shareholder may exercise an option to issue, deal in, hold the Securities with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act.
- c. Every Person subscribing to the Shares offered by the Company shall receive such Shares in dematerialized form. Such a Person who is the Beneficial Owner of the Shares can at any time opt-out of a Depository, if permitted by the Law, in respect of any Shares in the manner provided by the Depositories Act and the regulations made thereunder and the Company shall in the manner and within the time prescribed, issue to the Beneficial Owner the required certificate of Shares.
- d. If a Person opts to hold his Shares with a depository in a dematerialised form, notwithstanding anything contrary contained in the Articles, the Company shall intimate such Depository the details of allotment of the Shares, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the Shares.



- e. All Shares held by a Depository shall be dematerialized and shall be in a fungible form.
  - I. Notwithstanding anything to the contrary contained in the Act or the Articles, a depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of Shares on behalf of the Beneficial Owner.
  - II. Save as otherwise provided above, the depository as the registered owner of the Shares shall not have any voting rights or any other rights in respect of Shares held by it.
- f. Every Person holding Shares of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be the owner of such Shares and shall also be deemed to be a Shareholder of the Company. The beneficial owner of the Shares shall be entitled to all the liabilities in respect of his Shares which are held by a Depository.
- g. Notwithstanding anything in the Act or the Articles to the contrary, where Shares are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of disks, drives or any other mode as prescribed by Law from time to time.
- h. In the case of transfer of Shares or other marketable Securities where the Company has not issued any certificates and where such Shares or Securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.

v. General Power

Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

vi. Applicable law

Means any statute notification, bye law, rules and regulations, directive, ordinance, order or instruction, having the force of law enacted or issued by any Governmental Authority or courts of competent jurisdiction, whether in effect as on the date of these Articles or thereafter.

## SECTION IX: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and subsisting contracts (not being contracts entered into in the ordinary course of business carried on by our Company and includes contracts entered into until the date of this Draft Red Herring Prospectus), which have been entered or are to be entered into by our Company which are, or may be, deemed material, will be attached to the copy of the Red Herring Prospectus and the Prospectus, as applicable, which will be delivered to the RoC for filing. Copies of the abovementioned documents (including the Red Herring Prospectus) and contracts, and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10:00 a.m. and 5:00 p.m. on all Working Days from date of filing of the Red Herring Prospectus until the Bid/ Issue Closing Date and will be available on the website of our Company at [www.shivtexchem.com](http://www.shivtexchem.com).

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time, if so required, in the interest of our Company, or if required by the other parties, without reference to the Shareholders, subject to compliance with the provisions of the Companies Act and other applicable law.

#### 1. Material Contracts for the Issue

- i. Issue Agreement dated July 19, 2024 entered into between our Company and the Book Running Lead Manager.
- ii. Registrar Agreement dated July 16, 2024 entered into between our Company and the Registrar to the Issue.
- iii. Tripartite Agreement dated July 03, 2024 between our Company, CDSL and the Registrar to the Issue.
- iv. Tripartite Agreement dated July 10, 2024 between our Company, NSDL and the Registrar to the Issue.
- v. Banker to the Issue Agreement dated [●] among our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue
- vi. Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
- vii. Underwriting Agreement dated July 19, 2024 between our Company, and the Underwriter.

#### 2. Material Documents

- i. Certificate of Incorporation dated March 31, 2005 under the Companies Act, 1956 issued by Registrar of Companies, Maharashtra.
- ii. Fresh Certificate of Incorporation dated July 05, 2024 under the Companies Act, 2013 issued by Registrar of Companies, Maharashtra, consequent upon conversion of our Company from a private limited company to a public limited company and subsequent change of name to “Shiv Texchem Limited”.
- iii. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
- iv. Resolution of the Board of Directors dated July 11, 2024 in relation to the Issue.
- v. Shareholders’ resolution dated July 11, 2024 in relation to the Issue.
- vi. Resolution of the Board of Directors of the Company dated July 19, 2024 taking on record and approving this Draft Red Herring Prospectus.
- vii. The examination reports dated July 16, 2024 of the Statutory Auditor, on our Company’s Restated Financial Statements, included in this Draft Red Herring Prospectus.
- viii. Copies of the annual reports of our Company for the Fiscals 2024, 2023 and 2022.
- ix. Consent of the Promoters, Directors, the BRLM, Legal Counsel, Registrar to the Issue, Bankers to our Company, Company Secretary and Compliance Officer and Chief Financial Officer as referred to in their specific capacities.
- x. Written consent dated July 19, 2024, from our Statutory Auditor, namely, M/s. Sundarlal, Desai & Kanodia, Chartered Accountants to include their names as required under section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in the Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of their (a) examination report dated July 16, 2024 on the Restated Financial

- Information, and (b) report dated July 19, 2024 on the statement of special tax benefits and such consent has not been withdrawn as on the date of the Draft Red Herring Prospectus
- xi. Written consent letter dated July 19, 2024 from A. K. Nevatia & Associates, Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations in the Prospectus and as an ‘expert’ as defined under Section 2(38) of Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company.
  - xii. Statement of Tax Benefits dated July 19, 2024 issued by the Statutory Auditor i.e., M/s. Sundarlal, Desai & Kanodia, Chartered Accountants.
  - xiii. Certificate of Key Performance Index dated July 19, 2024, Statutory Auditor i.e., M/s. Sundarlal, Desai & Kanodia, Chartered Accountants.
  - xiv. Consent letter dated July 17, 2024 from D&B, for industry report on ‘Petrochemicals.’
  - xv. The report titled ‘Petrochemicals’ dated July 12, 2024 prepared and issued by D&B, commissioned by and paid for by our Company pursuant to engagement letter with D&B dated May 29, 2024, exclusively for the purposes of the Issue
  - xvi. Due Diligence Certificate dated July 19, 2024 addressed to BSE from the Book Running Lead Manager.
  - xvii. In principle listing approval dated [●] issued by BSE Limited.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act, 2013 and other relevant statutes.

## DECLARATION

I hereby declare that all relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations 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 the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

**Vikas Pavankumar**

*Chairman & Managing Director*

**Place:** Mumbai

**Date:** July 19, 2024

## DECLARATION

I hereby declare that all relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations 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 the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

**SIGNED BY THE DIRECTOR AND CHIEF FINANCIAL OFFICER OF OUR COMPANY**

**Sd/-**

**Hemanshu S. Chokhani**

*Whole Time Director and Chief Financial Officer*

**Place:** Mumbai

**Date:** July 19, 2024

## DECLARATION

I hereby declare that all relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations 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 the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

**Shyamsundar Chokhani**

*Whole Time Director*

**Place:** Mumbai

**Date:** July 19, 2024

## DECLARATION

I hereby declare that all relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations 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 the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

**Neha Hemanshu Chokhani**

*Whole Time Director*

**Place:** Mumbai

**Date:** July 19, 2024

## DECLARATION

I hereby declare that all relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations 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 the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

**Girdhari Lal Kundalwal**

*Independent Director*

**Place:** Mumbai

**Date:** July 19, 2024



## DECLARATION

I hereby declare that all relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations 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 the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

**Sushil Kumar Relan**

*Independent Director*

**Place:** Mumbai

**Date:** July 19, 2024

## DECLARATION

I hereby declare that all relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations 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 the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

**Rajen Gada**

*Independent Director*

**Place:** Mumbai

**Date:** July 19, 2024