

July 19, 2024

To,
Chief General Manager,
Listing Operation,
BSE Limited
P.J. Towers, Dalal Street,
Mumbai – 400 001

Dear Sir/ Madam,

Ref.: Proposed Initial public offering of equity shares of face value of ₹10/- each (the “Equity Shares”) of Shiv Texchem Limited (the “Company”) comprising fresh issue of equity shares (the “Issue”)

Sub.: Due-Diligence Certificate as per Form A and Form G of Schedule V of SEBI ICDR Regulations

We, Vivro Financial Services Private Limited, have been appointed by the Company as the book running lead manager (“BRLM”) to the Issue, state and confirm as follows:

- (1) We have examined various documents, including those relating to litigation, including commercial disputes, patent disputes, disputes with collaborators, etc. and other material while finalising the draft red herring prospectus dated July 19, 2024 (the “**Draft Red Herring Prospectus**”) for the Issue. - **Complied with to the extent applicable.**
- (2) On the basis of such examination and discussions with the Company, its directors and other officers, other agencies and independent verification of the statements concerning the objects of the Issue, price justification, contents of the documents and other papers furnished by the Company, we confirm that:
 - (a) the Draft Red Herring Prospectus filed with SME platform of BSE Limited (“**BSE SME**”) is in conformity with the documents, materials and papers which are material to the Issue;
 - (b) all material legal requirements relating to the Issue as specified by the Securities and Exchange Board of India (the “**SEBI**” or “**Board**”), the Central Government and any other competent authority in this behalf have been duly complied with; and
 - (c) the material disclosures made in the Draft Red Herring Prospectus are true and adequate to enable the investors to make a well-informed decision as to the investment in the proposed Issue and such disclosures are in accordance with the requirements of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”) and other applicable legal requirements.
- (3) Besides ourselves, all intermediaries named in the Draft Red Herring Prospectus are registered with the SEBI and that till date, such registration is valid. – **Complied with and noted for compliance.**
- (4) We have satisfied ourselves with the capability of the underwriters to fulfil their underwriting commitments. - **Noted for Compliance.**
- (5) Written consent from the Promoters has been obtained for inclusion of their Equity Shares as part of the Promoters’ contribution subject to lock-in and the Equity Shares proposed to form part of the promoters’ contribution subject to lock-in shall not be disposed or sold or transferred by the Promoters during the period starting from the date of filing the Draft Red Herring Prospectus with the SEBI till the date of commencement of lock-in period as stated in the Draft Red Herring Prospectus. - **Complied with and noted for compliance.**
- (6) All applicable provisions of SEBI ICDR Regulations, which relate to Equity Shares ineligible for computation of Promoters’ contribution have been duly complied with and appropriate disclosures as to compliance with the said Regulation(s) have been made in the Draft Red Herring Prospectus. - **Complied with and noted for compliance.**



- (7) All applicable provisions of SEBI ICDR Regulations which relate to receipt of promoters' contribution prior to opening of the Issue, shall be complied with. Arrangements have been made to ensure that the promoters' contribution shall be received at least 1 (one) day before the opening of the Issue and that the auditors' certificate to this effect shall be duly submitted to SEBI. We further confirm that arrangements have been made to ensure that the promoters' contribution shall be kept in an escrow account with a scheduled commercial bank and shall be released to the Company along with the proceeds of the Issue. - **Complied with and noted for compliance.**
- (8) Necessary arrangements shall be made to ensure that the monies received pursuant to the Issue are credited or transferred to a separate bank account as per the provisions of sub-section (3) of section 40 of the Companies Act, 2013 and that such monies shall be released by the said bank only after permission is obtained from all the stock exchanges and that the agreement entered into between the Bankers to the Issue and the Company specifically contains this condition. - **Noted for Compliance**
- (9) The existing business as well as any new business of the Company for which the funds are being raised fall within the 'main objects' in the object clause of the Memorandum of Association or other charter of the Company and the activities which have been carried out in the last ten years are valid in terms of the object clause of the Memorandum of Association. - **Complied with and noted for compliance.**
- (10) Following disclosures have been made in the Draft Red Herring Prospectus:
- (a) An undertaking from the Company that at any given time, there shall be only one denomination for the equity shares of the Company; excluding SR equity shares, where an issuer has outstanding SR equity shares; and - **Complied with to the extent applicable. There are no SR equity shares issued by the Company**
- (b) An undertaking from the Company that it shall comply with all disclosure and accounting norms specified by SEBI - **Complied with.**
- (11) We shall comply with the regulations pertaining to advertisements in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. - **Noted for compliance**
- (12) If applicable, the Company is eligible to list on the innovator's growth platform, in terms of the provisions of Chapter X of the SEBI ICDR Regulations. - **Not Applicable.**

We enclose a note explaining the process of due diligence that has been exercised by us including in relation to the business of the Company, the risks in relation to the business, experience of the Promoters and that the related party transactions entered into for the period disclosed in the Issue document have been entered into by the Company in accordance with applicable laws. - **Please refer to the due diligence process note enclosed as Annexure A, to this certificate.**

We enclose a checklist confirming regulation-wise compliance with the applicable provisions of SEBI ICDR Regulations, containing details such as the regulation number, its text, the status of compliance, the page number of the Draft Red Herring Prospectus where the regulation has been complied with and our comments, if any. - **Please refer to the due diligence process note enclosed as Annexure A, to this certificate.**

Additional confirmations as per Form G of Schedule V of SEBI ICDR Regulations:

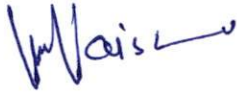
We, Vivro Financial Services Private Limited, Book Running Lead Manager to the issue, further confirm that:

- (1) None of the intermediaries named in the Draft Red Herring Prospectus are debarred from functioning by any regulatory authority.
- (2) The abridged prospectus contains all disclosures as specified in SEBI ICDR Regulations.



- (3) All material disclosures in respect of the Company have been made in the Draft Red Herring Prospectus and any material developments in the Company or relating to the Issue up to the commencement of listing and trading of the specified securities offered through this Issue shall be informed through public notices/advertisements in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the Issue has been given.
- (4) Agreements have been entered into with the depositories for the dematerialisation of the specified securities of the Company.
- (5) The underwriting and market-making arrangements as per the requirements of regulations 261 and 262 of these regulations have been made.
- (6) The Company has redressed at least ninety-five per cent of the complaints received from the investors till the end of the quarter immediately preceding the month of the filing of the Draft Red Herring Prospectus with the Registrar of Companies or letter of offer with the SME Exchange.

For Vivro Financial Services Private Limited



Vivek Vaishnav
Director
DIN: 00925446



Date: July 19, 2024
Place: Mumbai

Annexure A

Due Diligence Process Note

We have carried out due diligence exercise in relation to the current business of the Company and its background, for the purposes of complying with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”) and other applicable laws, and to the extent that it is customary for initial public offerings of this nature in India, along with other professionals and experts engaged in this Issue. All capitalized terms used herein and not specifically defined shall have the same meanings ascribed to such terms in the Draft Red Herring Prospectus dated July 19, 2024 (“**Draft Red Herring Prospectus**”).

The due diligence process carried out by us commenced with interactions with the Promoters, Directors and other members of the senior management of the Company, *inter alia*, to gain an understanding of the business of the Company, key risks involved, background of the Promoters and financial overview, amongst others. In this regard, we provided the Company with a due diligence questionnaire and information requisition list prepared in consultation with the Legal Counsels (defined below). In response to the questionnaire and the information requisition list, the Company provided us with supporting documents for review and diligence.

In the due diligence process, we were assisted by the Legal Counsels, the Statutory Auditor and Independent Chartered Accountant (defined below). In this regard, Rajani Associates, Advocates & Solicitors, appointed as the legal counsel to the Issue (the “**Legal Counsels**”), have assisted us in carrying out the due diligence and drafting of the Draft Red Herring Prospectus in compliance with the SEBI ICDR Regulations and other applicable laws, and advising the Company and us on other legal matters as appropriate and issuing customary opinions, in relation to the Issue to us. We were also assisted by the Statutory Auditor of the Company, M/s. Sundarlal, Kanodia & Desai, Chartered Accountants, statutory auditors of the Company (“**Statutory Auditors**”) and M/s. A. K. Nevatia & Associates, Chartered Accountants, independent peer reviewed chartered accountant (“**Independent Chartered Accountant**”) in our due diligence process. The Statutory Auditor and Independent Chartered Accountant has consented to be named as experts in the Draft Red Herring Prospectus.

I. Business and Commercial Diligence

The due diligence process in relation to general business and commercial matters included:

- a. Organizing and attending the kick-off discussion to develop an understanding of the business of the Company and other related matters of the Company. The meeting was attended by the senior management of the Company, including the Promoters, Directors of the Company, the Legal Counsels, the Statutory Auditor and our representatives. A broad overview of the business of the Company, industry in which it operates, regulatory framework with respect to the business, the corporate structure, the capital structure and financial statements, its shareholding pattern, proposed objects of the Issue and details of the Promoters of the Company were presented to us followed by detailed discussions;
- b. Regularly interacting with the senior management of the Company including the Directors, Managing Director, the Company Secretary and Chief Financial Officer as well as the senior personnel from the Company’s secretarial, legal and finance departments for the purpose of gaining an understanding about the business of the Company, the risks involved and the financial overview of the Company, amongst other matters. These interactions included (i) due diligence meetings (including virtual meetings), drafting sessions and conference calls to discuss the disclosures in the Draft Red Herring Prospectus, (ii) detailed discussion with heads of various departments of the Company, (iii) due diligence sessions and calls to receive updated information from the Company before filing the DRHP, (iv) seeking appropriate clarifications from the Company for key operational data and other information, (v) bring down due diligence calls to receive updated information from the Company before filing the Draft Red Herring Prospectus, and (vi) seeking appropriate certifications from the Company, the Statutory Auditor and the Key Managerial Personnel. These interactions were conducted with an objective to assist the Company to prepare disclosures as required under the SEBI ICDR Regulations, the Companies Act, 2013 and other



applicable laws with regard to the Issue. We expect these interactions and due diligence calls and discussions to continue until closure of the Issue;

- c. Visting the Company's registered and corporate office, both located in Mumbai, Maharashtra, holding virtual meetings, interacting with the Directors, Promoters and their representatives and Key Management Personnel in charge of the operations of the Company, to review the nature of activities of the Company, to understand the day to day operations of the Company, key business processes, aspects relating to key performance indicators of the Company and to verify the disclosures being made in the DRHP;
- d. Requesting and assisting the Company to make available the due diligence documents in a virtual data room and reviewing those documents along with the Legal Counsels, to comply with the diligence requirements as stipulated under the SEBI ICDR Regulations and other applicable laws;
- e. Obtaining and relying on certificates and formal representations, confirmations and undertakings from the Company and its Directors, Promoters, members of the Promoter Group, Group Companies, the Key Managerial Personnel and the Statutory Auditor and other documents, including extracts of report by independent industry sources, in support of certain disclosures included in the Draft Red Herring Prospectus. We have also relied on the management representation for certain numbers relating to the business and operations of the Company;
- f. Requesting the Company to provide documents in the data room based on the requirements under the SEBI ICDR Regulations and reviewing those documents along with the Legal Counsel, as is customary in such transactions;
- g. Assisting the Company in obtaining reports from Dun & Bradstreet Information Services India Private Limited to gain an understanding of the industry in which the Company operates and for disclosure in the section titled "*Summary of the Offer Document*", "*Risk Factors*", "*Industry Overview*", "*Management Discussion and Analysis of Financial Condition and Results of Operations*", "*Our Business*" and other relevant sections in the Draft Red Herring Prospectus. Further, we coordinated with the Company to ensure that necessary consent was obtained from Dun & Bradstreet Information Services India Private Limited to disclose the contents of its report in the Draft Red Herring Prospectus;
- h. Obtaining certifications, including circle-ups from the Statutory Auditor on financial information on the operational data and/ or certain finance related information included in the Draft Red Herring Prospectus;
- i. Reviewing of the contracts and agreements entered into by the Company, including (a) purchase orders of the customers, invoices each on a sample basis and (b) various internal policies pertaining to its business operations, as adopted, and implemented by the Company;
- j. Scheduling and attending due diligence calls with the industry report provider to understand the source of information provided in the industry report and updates thereupon;
- k. Scheduling and attending bi-weekly due diligence calls with the management of the Company to receive updated information from the Company.

2. *Financial Information of the Company and Financial Indebtedness*

We conducted due diligence on financial matters, which included meetings and due diligence calls with the Statutory Auditor, discussions with the finance department of the Company, review of the auditors' examination reports and other related documents. The Statutory Auditors provided the restated financial information of the Company, which was prepared in accordance with IGAAP, the Companies Act, 2013 (as amended), the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India and other regulations and restated in accordance with the SEBI ICDR Regulations for fiscals 2024, 2023 and 2022. Additionally, the audited financial statements of the Company are available on the Company's website: www.shivtexchem.com



We reviewed the Statutory Auditor's reports and obtained certifications with respect to certain financial information and operational information included in the Draft Red Herring Prospectus from the Statutory Auditor. We also have obtained certificates on certain financial and operational information included in the Draft Red Herring Prospectus from the Independent Chartered Accountant. We conducted due diligence on financial matters, which included meetings and due diligence calls with the Statutory Auditor, had discussions with the finance team of the Company, review of the Statutory Auditor's report and other related documents. Further, the Statutory Auditor was required to review the financial information relating to the Company in the Draft Red Herring Prospectus and has delivered a customary circle-up confirmation to the Book Running Lead Manager for the accuracy of the financial information contained in the Draft Red Herring Prospectus. Such letters will be re-issued or brought down at certain future dates as the Issue progresses.

We have also obtained certifications from the Statutory Auditor and Independent Chartered Accountant with respect to certain other financial information in the Draft Red Herring Prospectus, including indebtedness, details of transactions with related parties and weighted and average cost of acquisition of equity shares by the Promoters.

3. *Objects of the Issue*

We discussed with the management of the company about the normal operating working capital cycle of the company and gained understanding on the working capital requirements of the Company. We also gained an understanding of the relationship between the working capital requirements of the Company and the business model of the Company. We evaluated historical pattern of critical items of working capital viz., trades receivables, inventories, trades payables and other current assets and liabilities. Based on our understanding and discussion held with the management, we assisted the Company to prepare a business plan for forthcoming financial year(s) and assess the working capital requirements of the Company. We also requested the Independent Chartered Accountant to verify and certify the business plan prepared by the Company.

4. *Promoters, Promoter Group, Group Companies, Directors and Key Managerial Personnel of the Company*

For the purpose of making certain disclosures with respect to the Promoter, Promoter Group, Group Companies, Directors, Key Managerial Personnel in the Draft Red Herring Prospectus, we have obtained supporting documents, certifications from the relevant entities / persons.

The Group Company was identified in accordance with the SEBI ICDR Regulations and the Company's materiality policy approved by the Board of the Company on July 08, 2024 (the "**Materiality Policy**")

In addition, we have received confirmation from the Company, Directors, Promoters and members of the Promoter Group stating that (i) they have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authorities, and (ii) they have not been identified as willful defaulters or fraudulent borrowers as defined under the SEBI ICDR Regulations. Further, confirmations have been taken from Directors that (a) they are not directors on the board of other listed companies whose shares have been / were suspended from being traded on the BSE Limited and/or the National Stock Exchange of India Limited during the period of five years before the date of the Draft Red Herring Prospectus, and (b) that they are not currently or were previously on the board of a listed company whose shares have been or were delisted from being traded on any stock exchange. Additionally, we have obtained confirmations from the Directors and Promoters that they have not been declared as Fugitive Economic Offenders. Confirmations have also been obtained from the Company, Promoters and members of the Promoter Group in respect of their compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent in force and applicable, as on the date of the Draft Red Herring Prospectus.

5. *Statutory and/or Regulatory and Other Diligence*

In connection with diligence of statutory and regulatory matters, we have, with the assistance of the Legal Counsel, interacted with the officials of the Company to understand the various approvals that are



necessary for the Company to carry out its business, reviewed the relevant statutory and regulatory records of the Company, including, among other things, relevant corporate records, approvals and filings made by the Company and its Subsidiaries with various statutory and regulatory authorities.

We have also reviewed material licenses, approvals, and registrations applied for or received by the Company and other material agreements executed by, or in relation to, the Company, and such other documents as we have deemed necessary and as have been provided to us by the Company.

6. ***Outstanding Litigation Proceedings and Material Creditors***

We have disclosed outstanding litigation involving the Company, its Directors, Promoters, Group Companies and Subsidiaries (as applicable) on the basis of the legal requirements under the SEBI ICDR Regulations and the Companies Act, 2013.

Further, in accordance with the SEBI ICDR Regulations, the Board of Directors of the Company has adopted a policy on materiality which has been approved by the Board of Directors of the Company by a resolution dated July 08, 2024 ("**Materiality Policy**"), details of which are disclosed in the Draft Red Herring Prospectus.

The Company has considered as "material" each such case:

- 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 the materiality threshold established by the Board of Directors of the Company (amounting to ₹ 100.00 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 08, 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.

7. ***Industry Information***

We have relied on industry and market data derived from industry report on "Petrochemicals" prepared by Dun & Bradstreet Information Services India Private Limited ("**Dun & Bradstreet**"), which had been commissioned by the Company for the purposes of confirming its understanding of the industry in



connection with the Issue. The information contained in certain sections of the Draft Red Herring Prospectus, including “*Industry Overview*” has been included from this report.

As part of the due diligence exercise, we scheduled and attended a due diligence call with Dun & Bradstreet to understand the sources of information provided in their respective industry reports. The industry related information contained in certain sections of the DRHP, including “*Summary of the Offer Document*”, “*Risk Factors*”, “*Industry Overview*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Position and Results of Operations*”, and other relevant sections, have been included from these reports.

8. 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

S. No.	Issuer	Issue Size (Rs. Cr.)	Issue Price (Rs.)	Listing Date	Opening Price on the listing date	+/- % change in closing price, [+/- % change in closing benchmark] – 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] – 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] – 180 th calendar days from listing
1.	Bondada Engineering Limited	42.72	75.00	Aug 30, 2023	142.50	+123.07% [+0.65%]	+492.33% [+1.36%]	+1,114.73% [+12.38%]

Source: Price Information 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 the 30th/90th/180th Calendar days from listing.
- “Closing Benchmark” on the listing day of the script is taken as “Base Benchmark” for calculating % Change in Closing Benchmark on 30th/90th/180th Calendar days from listing. Although it shall be noted that for comparing the script with the Benchmark, the +/- % Change in the Closing Benchmark has been calculated based on the Closing Benchmark on the same day as that of calculated for the script in the manner provided in Note No. 4 below.
- In case the 30th/90th/180th day is not a trading day, the closing price on BSE of the previous trading day for the script has been considered, however, if the script is not traded on that previous trading day, then last trading price has been considered



Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount – 30 th calendar days from listing			No. of IPOs trading at a premium – 30 th calendar days from listing			No. of IPOs trading at discount – 180 th calendar days from listing			No. of IPOs trading at a premium – 180 th 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	Nil													
2023-24	1	42.72	-	-	-	1	-	-	-	-	-	1	-	-
2022-23	Nil													

Notes:

1. Issue opening date is considered for the calculation of the total number of IPOs in the respective financial year.
2. Source: www.bseindia.com

Note: All capitalised terms not specifically defined here will have the same meaning ascribed to them in the Draft Red Herring Prospectus.

For Vivro Financial Services Private Limited



Vivek Vaishnav
Director
DIN: 00925446



Date: July 19, 2024
Place: Mumbai