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**RED HERRING PROSPECTUS**  
Dated: July 23, 2025  
Please read Section 26 and 32 of the  
Companies Act, 2013  
100% Book Built Issue

**MEHUL COLOURS LIMITED**  
(Formerly known as Mehul Colours and Masterbatches Limited)  
CIN: U25209MH1995PLC095225

| REGISTERED OFFICE                                                                                                                            | CONTACT PERSON                                                   | EMAIL AND TELEPHONE                                                                                                                  | WEBSITE                                                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Unit No - A 305,306, Kemp Plaza, Link Road, Chincholi Bunder Road, Mind Space, Near Evershine Mall, Malad West, Mumbai, Maharashtra - 400064 | Shilpa Karan Mehta,<br>Company Secretary &<br>Compliance Officer | <b>E-mail:</b><br><a href="mailto:info@mehulcolours.com">info@mehulcolours.com</a><br><b>Tel No:</b> +91-22-2872<br>3555 / 2872 7874 | <b>Website:</b><br><a href="https://www.mehulcolours.com">https://www.mehulcolours.com</a> |

| PROMOTERS OF THE COMPANY | Mehul Pravinchandra Joshi and Bhakti Mehul Joshi. |
|--------------------------|---------------------------------------------------|
|--------------------------|---------------------------------------------------|

| DETAILS OF THE ISSUE |                                                         |                                                        |                                  |                                                                                                                                  |
|----------------------|---------------------------------------------------------|--------------------------------------------------------|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| TYPE                 | FRESH ISSUE SIZE<br>(IN ₹ LAKHS)                        | OFS SIZE<br>(BY NO. OF<br>SHARES OR BY<br>AMOUNT IN ₹) | TOTAL ISSUE<br>SIZE (IN ₹ LAKHS) | ELIGIBILITY                                                                                                                      |
| Fresh Issue          | Upto 30,08,000 Equity Shares aggregating to ₹ [●] Lakhs | Nil                                                    | ₹ [●] Lakhs                      | This Issue is being made in terms of regulation 229(2) and 253(1) of chapter IX of the SEBI (ICDR) Regulations, 2018 as amended. |

**DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES**

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the Equity Shares is ₹10 each. The Floor Price, Cap Price and Issue Price determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under “*Basis for Issue Price*” on page 92 should not be considered 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 nor regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Red Herring Prospectus. Specific attention of the investors is invited to the section “*Risk Factors*” beginning on page 26 of this Red Herring Prospectus.

**ISSUER’S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The Equity Shares Issued through Red Herring Prospectus are proposed to be listed on the SME Platform of BSE (“BSE SME”). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, our Company has received “in-principle” approval letter dated July 01, 2025 from BSE (BSE SME) for using its name in the Offer Document. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited (“BSE”).

**BOOK RUNNING LEAD MANAGER TO THE ISSUE**

| Name and Logo                                                                                                                                         | Contact Person                    | Email & Telephone                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------------------------------------------------------------------------------------------------------------|
| <br>Elevate Your Potential<br><b>Seren Capital Private Limited</b> | Ankit Maheshwari / Tripti Pathani | <b>Email:</b> <a href="mailto:info@serencapital.in">info@serencapital.in</a><br><b>Tel. No.:</b> +91- 22- 46011058 |

**REGISTRAR TO THE ISSUE**

| Name and Logo                                                                                                                                                 | Contact Person  | Email & Telephone                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------------------------------------------------------------------------------------------------------------|
| <br><b>Bigshare Services Pvt. Ltd.</b><br>Bigshare Services Private Limited | Vinayak Morbale | <b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a><br><b>Tel No.:</b> +91 22 6263 8200 |

**BID/ISSUE PERIOD**

| ANCHOR PORTION ISSUE<br>OPENS/CLOSES ON: TUESDAY, 29 <sup>th</sup> JULY, 2025* | BID/ISSUE OPENS ON:<br>WEDNESDAY, 30 <sup>th</sup> JULY, 2025 | BID/ISSUE CLOSES ON**: FRIDAY, 01 <sup>st</sup> AUGUST, 2025 <sup>#</sup> |
|--------------------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------------------|
|--------------------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------------------|

\*The 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 shall be one Working Day prior to the Bid/Issue Opening Date.

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

<sup>#</sup>The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Day.



MEHUL COLOURS LIMITED  
(Formerly known as Mehul Colours and Masterbatches Limited)  
CIN: U25209MH1995PLC095225

Our Company was incorporated on December 12, 1995 under the name of “Mehul Colours and Masterbatches Private Limited”, a private limited Company under the provisions of the Companies Act, 1956, pursuant to a Certificate of Incorporation issued by Registrar of Companies, Maharashtra. Thereafter, our Company was converted from private limited to public limited, pursuant to special resolution passed by the shareholders of the Company at the Extraordinary general meeting held on December 02, 2024 and the name of our Company was changed from “Mehul Colours and Masterbatches Private Limited”, to “Mehul Colours and Masterbatches Limited”, vide fresh certificate of incorporation dated December 16, 2024 issued by the Registrar of Companies, Central Processing Centre Further, Pursuant to Special Resolution passed by the shareholders at the Extra-Ordinary General Meeting held on January 04, 2025, the name of our Company was changed from “Mehul Colours and Masterbatches Limited” to “Mehul Colours Limited” and a fresh Certificate of Incorporation issued by the Registrar of Companies, Central Processing Centre, on January 9, 2025. The Corporate identification number of our Company is U25209MH1995PLC095225.

Registered Office: Unit No - A 305,306, Kemp Plaza, Link Road, Chincholi Bunder Road, Mind Space, Near Evershine Mall, Malad West, Mumbai, Maharashtra, India, 400064.

Contact Person: Shilpa Karan Mehta, Company Secretary & Compliance Officer

Tel No: +91-22-2872 3555 / 2872 7874; E-mail: [info@mehulcolours.com](mailto:info@mehulcolours.com) ; Website: <https://www.mehulcolours.com>

Promoters of our Company: Mehul Pravinchandra Joshi and Bhakti Mehul Joshi

| DETAILS OF THE ISSUE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| INITIAL PUBLIC OFFER OF UPTO 30,08,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF MEHUL COLOURS LIMITED ("OUR COMPANY" OR "MCL" OR "THE ISSUER") AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹[●] LAKHS("PUBLIC ISSUE") OUT OF WHICH 1,52,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 28,56,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 28.51% AND 27.07% RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITION OF FINANCIAL EXPRESS(A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND ALL EDITION OF JANSATTA (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND ALL EDITION OF PRATAHKAL, A REGIONAL NEWSPAPER (MARATHI 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 SME PLATFORM OF BSE ("BSE SME") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| In case of any revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, for reasons to be recorded in writing extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| The 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 allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that 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 ("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 (out of which one third shall be reserved for applicants with an application size of more than two lots and upto such lots equivalent to not more ₹ 10,00,000 and two-thirds shall be reserved for applicants with application size of more than ₹ 10,00,000) and not less than 35% of the Net Issue shall be available for allocation to individual investors who applies for minimum application size 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 " <i>Issue Procedure</i> " beginning on page 256 of this Red Herring Prospectus. |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| RISK IN RELATION TO THE FIRST ISSUE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| GENERAL RISKS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| ISSUER'S ABSOLUTE RESPONSIBILITY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| LISTING                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| BOOK RUNNING LEAD MANAGER TO THE ISSUE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                            | REGISTRAR TO THE ISSUE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <br>Elevate Your Potential                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Seren Capital Private Limited</b><br><b>Address:</b> Office no. 601 to 605, Raylon Arcade, Kondivita, J.B. Nagar, Mumbai, Maharashtra – 400059<br><b>Tel. No.:</b> +91-22-46011058<br><b>Email:</b> <a href="mailto:info@serencapital.in">info@serencapital.in</a><br><b>Investor Grievance Email:</b> <a href="mailto:investor@serencapital.in">investor@serencapital.in</a><br><b>Website:</b> <a href="https://serencapital.in/">https://serencapital.in/</a><br><b>Contact Person:</b> Ankit Maheshwari/Tripti Pathani<br><b>SEBI Regn. No.</b> INM000013156                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                            | <b>Bigshare Services Private Limited</b><br><b>Address:</b> S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East)Mumbai – 400093, India.<br><b>Telephone:</b> +91 22 6263 8200<br><b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a><br><b>Investor Grievance Email:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a><br><b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a><br><b>Contact Person:</b> Vinayak Morbale<br><b>SEBI Registration Number:</b> INR000001385 |
| ISSUE PROGRAMME                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| ANCHOR PORTION ISSUE OPENS/CLOSES ON: TUESDAY, 29 <sup>TH</sup> JULY, 2025*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | BID/ISSUE OPENS ON: WEDNESDAY, 30 <sup>TH</sup> JULY, 2025 | BID/ISSUE CLOSES ON**: FRIDAY, 01 <sup>ST</sup> AUGUST, 2025#                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

\*The 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 shall be one Working Day prior to the Bid/Issue Opening Date.

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

#The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day.

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## **SECTION I – GENERAL**

### **DEFINITIONS AND ABBREVIATIONS**

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

*The words and expressions used in this Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI (ICDR) Regulations, 2018, the Securities Contracts Regulation Act, 1956 (“SCRA”), the Depositories Act or the rules and regulations made there under.*

*Notwithstanding the foregoing, terms used in of the sections “Statement of Special Tax Benefits”, “Financial Information of the Company” and “Main Provisions of the Articles of Association” on page 99, 157 and 291 respectively, shall have the meaning ascribed to such terms in such sections.*

#### **General Terms**

| <b>Terms</b>                                                                                                                                 | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mehul Colours Limited (formerly known as Mehul Colours and Masterbatches Limited) /MCL /the Company/ Company/our Company/ the Issuer Company | Unless the context otherwise indicates or implies refers to Mehul Colours Limited (formerly known as Mehul Colours and Masterbatches Limited), a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office at Unit No - A 305,306, Kemp Plaza, Link Road, Chincholi Bunder Road, Mind Space, Near Evershine Mall, Malad West, Mumbai- 400064, Maharashtra, India. |
| “we”, “us” or “our”                                                                                                                          | Unless the context otherwise indicates or implies refers to our Company.                                                                                                                                                                                                                                                                                                                                               |
| “you”, “your” or “yours”                                                                                                                     | Prospective investors in this Issue.                                                                                                                                                                                                                                                                                                                                                                                   |

#### **Company related terms**

| <b>Term</b>                              | <b>Description</b>                                                                                                                                                                                                                                                              |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AOA/ Articles/ Articles of Association   | The articles of association of our Company, as amended                                                                                                                                                                                                                          |
| Audit Committee                          | Audit Committee of our Company as described in the chapter titled “ <b><i>Our Management</i></b> ” beginning on page 137 of this Red Herring Prospectus.                                                                                                                        |
| Auditors/ Statutory Auditors             | The Statutory Auditors of our Company being YMS & CO LLP, Chartered Accountants, (Firm Registration No. as 143858W/W100859).                                                                                                                                                    |
| Bankers to our Company                   | ICICI Bank Limited                                                                                                                                                                                                                                                              |
| Board of Directors/ the Board/ our Board | The board of directors of our Company, as constituted from time to time. For further details of our Directors, please refer to section titled “ <b><i>Our Management</i></b> ” beginning on page 137 of this Red Herring Prospectus.                                            |
| Chief Financial Officer/ CFO             | The Chief Financial Officer of our Company being Rashmi Rajendra Parab.                                                                                                                                                                                                         |
| CIN                                      | Corporate Identification Number                                                                                                                                                                                                                                                 |
| Companies Act/ Act                       | The Companies Act, 2013 and amendments thereto and erstwhile Companies Act 1956 as applicable                                                                                                                                                                                   |
| Company Secretary and Compliance Officer | The Company Secretary & Compliance Officer of our Company being Shilpa Karan Mehta.                                                                                                                                                                                             |
| Depositories                             | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). |
| Director(s) / our directors              | The Director(s) of our Company, unless otherwise specified. For details of our directors, see “ <b><i>Our Management</i></b> ” on page 137 of this Red Herring Prospectus.                                                                                                      |
| DP/ Depository Participant               | A depository participant as defined under the Depositories Act.                                                                                                                                                                                                                 |

| <b>Term</b>                           | <b>Description</b>                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DP ID                                 | Depository's Participant's Identity Number                                                                                                                                                                                                                                                                                                                    |
| Equity Shareholders/ Shareholders     | Persons/ Entities holding Equity Shares of our Company                                                                                                                                                                                                                                                                                                        |
| Equity Shares                         | Equity Shares of the Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof.                                                                                                                                                                                                                                                  |
| Executive Directors                   | Executive Directors are the Managing Director & Whole-time Directors of our Company.                                                                                                                                                                                                                                                                          |
| Fugitive economic offender            | Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)                                                                                                                                                                                                              |
| Group Companies                       | Our group companies in accordance with the SEBI ICDR Regulations and the Materiality Policy as set out in section titled <b>"Our Group Companies"</b> on page 232.                                                                                                                                                                                            |
| Independent Chartered Accountant      | The Independent Chartered Accountant appointed by our Company, namely, M/s Suvarna & Katdare (FRN No. 125080W)                                                                                                                                                                                                                                                |
| Independent Chartered Engineer        | The Independent Chartered Engineer appointed by our Company being Karan Rajendra Mody, AKV Consulting LLP                                                                                                                                                                                                                                                     |
| Independent Director                  | An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the Listing Regulations. For details of our Independent Directors, see <b>"Our Management"</b> on page 137 of this Red Herring Prospectus.                                                                                                             |
| ISIN                                  | International Securities Identification Number. In this case being INE1KH601014                                                                                                                                                                                                                                                                               |
| Key Management Personnel/ KMP         | Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI Regulations and the Companies Act, 2013. For details, see section titled <b>"Our Management"</b> on page 137 of this Red Herring Prospectus.                                                                                                                              |
| MOA/ Memorandum of Association        | Memorandum of Association of Mehul Colours Limited (formerly known as Mehul Colours and Masterbatches Limited) as amended from time to time.                                                                                                                                                                                                                  |
| MD or Managing Director               | The Managing Director of our Company, Mehul Pravinchandra Joshi                                                                                                                                                                                                                                                                                               |
| Materiality Policy                    | The policy adopted by our Board on March 14, 2025 for identification of Group Companies, material outstanding litigation and material outstanding dues to creditors, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations, 2018 as amended from time to time.                                                                            |
| Nomination and Remuneration Committee | The nomination and remuneration committee of our Board constituted in accordance with Section 178 of the Companies Act, 2013 as described in the chapter titled <b>"Our Management"</b> beginning on page 137 of this Red Herring Prospectus                                                                                                                  |
| Non-Executive Director                | A Director not being an Executive Director.                                                                                                                                                                                                                                                                                                                   |
| NRIs / Non-Resident Indians           | A person resident outside India, as defined under Foreign Exchange Management Act, 1999 and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.                                                                                    |
| Promoter(s)                           | Shall mean promoters of our Company i.e. Mehul Pravinchandra Joshi and Bhakti Mehul Joshi. For further details, please refer to section titled <b>"Our Promoter &amp; Promoter Group"</b> beginning on page 152 of this Red Herring Prospectus.                                                                                                               |
| Promoter Group                        | Includes such Persons and companies constituting our Promoter Group covered under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 as enlisted in the section <b>"Our Promoter and Promoter Group"</b> beginning on page 152 of this Red Herring Prospectus.                                                                                         |
| 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. |
| RBI Act                               | The Reserve Bank of India Act, 1934 as amended from time to time.                                                                                                                                                                                                                                                                                             |



| <b>Term</b>                                | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Registered Office of our Company           | The Registered Office of our Company situated at Unit No - A 305,306, Kemp Plaza, Link Road, Chincholi Bunder Road, Mind Space, Near Evershine Mall, Malad West, Mumbai- 400064, Maharashtra, India.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Reserve Bank of India/ RBI                 | Reserve Bank of India constituted under the RBI Act.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Restated Financial Information/ Statements | The restated financial information of the Company comprising of the restated statement of assets and liabilities as at, March 31, 2025, March 31, 2024 and March 31, 2023, the restated statement of profit and loss and the restated statement of cash flows for the F.Y. ended March 31, 2025, March 31, 2024 and March 31, 2023 and the significant accounting policies and explanatory notes and notes to restated financial information prepared in terms of the Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended |
| RoC/ Registrar of Companies                | Unless specified otherwise refers to ROC Mumbai situated at Ministry of Corporate Affairs 100, “Everest”, Marine Drive, Mumbai- 400002, Maharashtra.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Stakeholders’ Relationship Committee       | Stakeholders’ relationship committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013 and as described in the chapter titled <b>“Our Management”</b> beginning on page 137 of this Red Herring Prospectus.                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Senior Management Personnel or SMP         | Senior management personnel of our Company in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as disclosed in “Our Management– Senior Management Personnel” on page 149                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Stock Exchange                             | Unless the context requires otherwise, refers to, Bombay Stock Exchange Limited (BSE SME).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Shareholders                               | Shareholders of our Company from time to time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Subscriber to MOA                          | Initial Subscribers to MOA & AOA being Pravinchandra Girdharlal Joshi and Usha Pravinchandra Joshi and Mehul Pravinchandra Joshi                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

#### **Issue Related Terms**

| <b>Terms</b>                      | <b>Description</b>                                                                                                                                                                                                                                                          |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Abridged Prospectus               | Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf.                                                                                                                                         |
| Acknowledgement Slip              | The slip or document issued by the Designated Intermediary to a bidder as proof of registration of the Application.                                                                                                                                                         |
| Allotment/ Allot/ Allotted        | Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Fresh Issue to successful Bidders.                                                                                                                                             |
| Allotment Advice                  | A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.                                                           |
| Allottee (s)                      | A successful applicant to whom the Equity Shares are 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 lakhs.                              |
| Anchor Investor Allocation Price  | The price at which Equity Shares will be allocated to the Anchor Investors in 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 Prospectus.                                                            |
| Anchor Investor Bid/ Issue Period | One Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed.                                                                                                       |
| Anchor Investor Issue Price       | The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which                                                                                                                        |

| Terms                                                  | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                        | 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 Portion                                | Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI (ICDR) Regulations.                                                                                                                       |
| Application Supported by Block Amount (ASBA)           | An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include amounts blocked by the SCSB upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism.                                                                                                                                                                                                                                                                                                                |
| ASBA Account                                           | A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by an individual investors who applies for minimum application size, linked to a UPI ID, which will be blocked in relation to a Bid by a individual investors who applies for minimum application size Bidding through the UPI Mechanism.                                                                         |
| ASBA Application Location(s)/ Specified Cities         | Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Jaipur.                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| ASBA Applicant/ ASBA Investor                          | Any prospective investor(s)/applicant(s) in this Issue who apply (ies) through the ASBA process in terms of the Prospectus.                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Banker to the Issue Agreement                          | Agreement dated July 14, 2025 entered into amongst the Company, Lead Manager, the Registrar, Sponsor Bank and the Banker to the Issue.                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Bankers to the Issue / Public Issue Bank/ Sponsor Bank | Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being Axis Bank Limited                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Basis of Allotment                                     | The basis on which the Equity Shares will be Allotted to successful bidders under the Issue and which is described in the chapter titled “ <b>Issue Procedure</b> ” beginning on page 256 of this Red Herring Prospectus.                                                                                                                                                                                                                                                                                                                                                                              |
| Bid                                                    | An indication to make an Issue during the Bid/ Issue Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of 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 in the case of individual investors who applies for minimum application size Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such individual investors who applies for minimum application size and mentioned in the Bid cum Application Form and payable by the individual investors who applies for minimum application size or blocked in the ASBA Account upon submission of the Bid in the Issue..                                                                  |
| Bid Lot                                                | [●] equity shares of face value of Rs. 10 each and in multiples of [●] equity shares of face value of Rs. 10 each thereafter.                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Bid/ Issue Opening Date                                | Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in in all editions of the English national newspaper, Financial Express, all editions of Hindi national newspaper, Jansatta and Marathi Edition of Regional newspaper Pratahakal where the registered office of the company is situated, each with wide circulation and in case of any revision, the extended Bid/ Issue Opening Date                                                       |

| <b>Terms</b>                                  | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                               | also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Bid/ Issue Closing Date                       | Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers shall not accept the Bids, which shall be notified in in all editions of the English national newspaper, Financial Express, all editions of Hindi national newspaper, Jansatta and Marathi Edition of Regional newspaper Pratahakal where the registered office of the company is situated, each with wide circulation and in case of any revision, the extended Bid/ Issue closing Date also to be notified on the website and terminals of the Syndicate, SCSB's and Sponsor Bank, as required under the SEBI ICDR Regulations. |
| Bid/ Issue Period                             | Except in relation to any Bids received from the Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date or the QIB Bid/ Issue Closing Date, as the case may be, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/ Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders.                                                                                                                                                                                                                                        |
| Bidders /First Bidder/Applicant               | Bidder(s) 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Bidding                                       | The process of making a Bid.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Bidding/ Collection Centers                   | Centers at which the Designated intermediaries shall accept the ASBA Forms, i.e. Designated SCSB Branches for SCSBs, specified locations for syndicates, broker centers for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Book Building Process/ Book Building Method   | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| BRLM / Book Running Lead Manager              | Book Running Lead Manager to the Issue in this case being Seren Capital Private Limited, SEBI Registered Merchant Banker.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Broker Centres                                | Broker Centres notified by the Stock Exchanges, where the investors can submit the Bid-cum Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.                                                                                                                                                                                                                                                                                                                                                                                            |
| Business Day                                  | Monday to Friday (except public holidays).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| CAN or Confirmation of Allocation Note        | The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Cap Price                                     | The higher end of the price band above which the Issue Price will not be finalized and above which no Bids (or a revision thereof) will be accepted.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Client Id                                     | Client Identification Number maintained with one of the Depositories in relation to Demat account                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Collecting Depository Participants or CDPs    | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Collecting Registrar and Share Transfer Agent | Registrar to an Issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Controlling Branches of the SCSBs             | Such branches of the SCSBs which coordinate with the BRLM, the Registrar to the Issue and the Stock Exchange.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Cut Off Price                                 | The Issue Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLM. None of the categories of bidders are allowed to bid at the cut off price.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Demographic Details                           | The demographic details of the Bidders such as their Address, PAN, name of the Bidders father/husband, investor status, occupation and Bank Account details.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |



| <b>Terms</b>                                | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Depositor/ Depositories                     | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).                                                                                                                                                                                         |
| Depositories                                | National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).                                                                                                                                                                                                                                                                                                                                                                |
| DIN                                         | Director Identification Number                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Depositories Act                            | The Depositories Act, 1996, as amended from time to time.                                                                                                                                                                                                                                                                                                                                                                                                            |
| Designated CDP Locations                    | Such locations of the CDPs where Applicant can submit the Bid-cum-Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid-Cum-Application Forms are available on the website of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>                                                  |
| Designated Date                             | The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account(s) or the Refund Account(s), as applicable, in terms of the Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Issue. |
| Designated Intermediaries/ Collecting Agent | An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an Issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).                                                                                                               |
| Designated Market Maker                     | Asnani Stock Broker Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Designated RTA Locations                    | Such locations of the RTAs where Bidder can submit the Bid-Cum-Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid-Cum-Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>                                                                                                                |
| Designated SCSB Branches                    | Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> . Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time.                                                |
| Designated Stock Exchange                   | Bombay Stock Exchange Limited ("SME Exchange") ("BSE SME")                                                                                                                                                                                                                                                                                                                                                                                                           |
| DP ID                                       | Depository's Participant's Identity Number                                                                                                                                                                                                                                                                                                                                                                                                                           |
| DP/ Depository Participant                  | A depository participant as defined under the Depositories Act, 1996                                                                                                                                                                                                                                                                                                                                                                                                 |
| Draft Red Herring Prospectus                | Draft Red Herring Prospectus dated March 28, 2025 as filed with SME Platform of BSE Limited                                                                                                                                                                                                                                                                                                                                                                          |
| Electronic Transfer of Funds                | Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.                                                                                                                                                                                                                                                                                                                                                                                                     |
| Eligible NRI                                | A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the issue and in relation to whom this Red Herring Prospectus will constitute an invitation to subscribe for 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.                                                                                                                                          |
| 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.                                                                                                                                                                                                                                                                                           |
| Floor Price                                 | The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted.                                                                                                                                                                                                                                                               |

| <b>Terms</b>                                                                                           | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| First/ Sole Applicant                                                                                  | The Applicant whose name appears first in the Application Form or Revision Form.                                                                                                                                                                                                                                                                                                                                                                     |
| Fresh Issue                                                                                            | The fresh issue of up to 30,08,000 Equity Shares of face value of Rs. 10 each by our Company, at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] lakhs.                                                                                                                                                                                                                                               |
| Foreign Venture Capital Investors                                                                      | Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.                                                                                                                                                                                                                                                                                                                          |
| FPI/ Foreign Portfolio Investor                                                                        | A Foreign Portfolio Investor who has been registered pursuant to the 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 SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchanges and the Book Running Lead Manager.                                                                                                                 |
| Individual Bidders/ Individual Investors/Individual Investors who applies for minimum application size | Individual Bidders, submitting Bids, who applies for minimum application size for two lots. Provided that the minimum application size shall be above ₹ 2,00,000/- (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).                                                                                                                                                               |
| Issue Agreement                                                                                        | The Issue Agreement dated March 20, 2025 between our Company and Book Running Lead Manager, Seren Capital Private Limited.                                                                                                                                                                                                                                                                                                                           |
| Issue Price                                                                                            | The Price at which the Equity Shares are being issued by our Company under this Red Herring Prospectus being ₹ [●] per Equity share, as determined by our Company, in consultation with the BRLM.                                                                                                                                                                                                                                                    |
| Issue Proceeds                                                                                         | Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 80 of this Red Herring Prospectus                                                                                                                                                                                                                                                         |
| Issue / Public Issue / Issue size/ Initial Public Issue / Initial Public Offering/ IPO                 | The Initial Public Issue of up to 30,08,000 Equity shares of face value of ₹ 10/- each at Issue price of ₹ [●]/- per Equity share, including a premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs comprising the Fresh Issue.                                                                                                                                                                                                            |
| Book Running Lead Manager/ BRLM                                                                        | Book Running Lead Manager to the Issue, in this case being Seren Capital Private Limited, a SEBI Registered Merchant Banker.                                                                                                                                                                                                                                                                                                                         |
| Listing Agreement                                                                                      | The Equity Listing Agreement to be signed between our Company and the Stock Exchange.                                                                                                                                                                                                                                                                                                                                                                |
| LLP                                                                                                    | Limited Liability Partnership                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Lot Size                                                                                               | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Mandate Request                                                                                        | Mandate Request means a request initiated by the Individual investors who apply for minimum application size by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.                                                                                                                                                                                                 |
| Market Maker Reservation Portion                                                                       | The reserved portion of 1,52,000 Equity Shares of face value of ₹10 each at an Issue price of ₹ [●] each is aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this Issue.                                                                                                                                                                                                                                                               |
| Market Making Agreement                                                                                | The Market Making Agreement dated June 21, 2025 between our Company, Book Running Lead Manager and Market Maker.                                                                                                                                                                                                                                                                                                                                     |

| <b>Terms</b>                                                             | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mutual Fund Portion                                                      | 5% of the Net QIB Portion, or 27,200 Equity Shares of face value of Rs. 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.                                                                                                                                                                                                                                                                |
| Mutual Funds                                                             | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.                                                                                                                                                                                                                                                                                                                                                                                        |
| Net Issue                                                                | The Issue (excluding the Market Maker Reservation Portion) of 28,56,000 equity Shares of of face value of ₹10/- each at a price of ₹ [●] per Equity Share (the “Issue Price”), including a share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakhs.                                                                                                                                                                                                                                           |
| Net Proceeds                                                             | The Issue Proceeds received from the fresh issue excluding issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled “ <i>Objects of the Issue</i> ” beginning on page 80 of this Red Herring Prospectus.                                                                                                                                                                                                                      |
| Net QIB Portion                                                          | The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors                                                                                                                                                                                                                                                                                                                                                                                                        |
| Non- Resident                                                            | A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Non-Institutional Investors                                              | All Investors (other than QIBs or individual investors who applies for minimum application size), who have Bid for Equity Shares, for more than two lots (but not including NRIs other than Eligible NRIs)                                                                                                                                                                                                                                                                                               |
| Non-Institutional Portion                                                | The portion of the Issue being not less than 15% of the Issue, consisting of 4,28,800 Equity Shares of face value of Rs. 10 each, which shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Issue Price.                                                                                                                                                                                                     |
| Overseas Corporate Body/ OCB                                             | 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. |
| 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.                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Portion of individual investors who applies for minimum application size | The portion of the Issue being not less than 35% of the Net Issue, consisting of 10,01,600 Equity Shares of face value of Rs. 10 each, available for allocation to individual investors who applies for minimum application size.                                                                                                                                                                                                                                                                        |
| Person/ Persons                                                          | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/ or incorporated in the jurisdiction in which it exists and operates, as the context requires.                                                                                                                                           |
| Price Band                                                               | Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Issue Opening Date.                                                                   |
| Pricing Date                                                             | The date on which our Company in consultation with the BRLM, will finalize the Issue Price.                                                                                                                                                                                                                                                                                                                                                                                                              |
| Project Report                                                           | Project Report dated July 18, 2025, obtained by our Company from AKV Consulting LLP, Chartered Engineers, in respect of the proposed manufacturing facility.                                                                                                                                                                                                                                                                                                                                             |
| Prospectus                                                               | The Prospectus, to be filed with the Registrar of Companies in accordance with the provisions of Section 26 & 32 of the Companies Act, 2013,                                                                                                                                                                                                                                                                                                                                                             |

| <b>Terms</b>                                      | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                   | containing, inter alia, the Issue Price, size of the Issue and certain other information.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Public Issue Account                              | Account to be opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the Applicant, on the Designated Date.                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| QIB Category/ QIB Portion                         | The portion of the Net Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue, consisting of 14,25,600 Equity Shares of face value of Rs. 10 each aggregating to ₹ [●] lakhs which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLM), subject to valid Bids being received at or above the Issue Price or Anchor Investor Issue Price (for Anchor Investors). |
| Qualified Institutional Buyers/ QIBs/ QIB Bidders | Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Red Herring Prospectus / RHP                      | This Red Herring Prospectus issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI (ICDR) Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue including any addenda or corrigenda thereto.<br>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                                    | The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made.                                                                                                                                                                                                                                                                                                                                                                                               |
| Refund Bank/ Refund Banker                        | Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being Axis Bank Limited.                                                                                                                                                                                                                                                                                                                                                                                                          |
| Refund through electronic transfer of funds       | Refunds through NECS, direct credit, RTGS or NEFT, as applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Registered Broker                                 | The stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Registrar Agreement                               | The agreement dated March 20, 2025 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 and Share Transfer Agents or RTAs       | Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.                                                                                                                                                                                                                                                                                                                                                              |
| Registrar/ Registrar to the Issue/ RTA/ RTI       | Registrar to the Issue, in this case being, Bigshare Services Private Limited.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Regulation S                                      | Regulation S under the U.S. Securities Act of 1933, as amended from time to time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Reservation Portion                               | The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018.                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Reserved Category/ Categories                     | Categories of persons eligible for making application under reservation portion.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Revision Form                                     | The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid-cum-Application Forms or any previous Revision Form(s), as applicable. None of the bidders are allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage.                                                                                                                                                                                                                                                              |
| SCPL                                              | Seren Capital Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| SEBI                                              | Securities and Exchange Board of India constituted under the SEBI Act, 1992.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| SEBI Act                                          | Securities and Exchange Board of India Act, 1992, as amended                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| SEBI AIF Regulations                              | Securities and Exchange Board of India (Alternate Investments Funds) Regulations, 2012, as amended.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| SEBI FII Regulations                              | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

| <b>Terms</b>                                                                                        | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SEBI FPI Regulations                                                                                | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time.                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| SEBI FVCI Regulations                                                                               | Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time.                                                                                                                                                                                                                                                                                                                                                                                                                              |
| SEBI (PFUTP) Regulations/<br>PFUTP Regulations                                                      | Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003                                                                                                                                                                                                                                                                                                                                                                                                          |
| 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.                                                                                                                                            |
| SEBI (ICDR) Regulations/<br>ICDR Regulation/ Regulation                                             | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.                                                                                                                                                                                                                                                                                                                                                     |
| SEBI (Venture Capital)<br>Regulations                                                               | Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| SEBI Insider Trading<br>Regulations                                                                 | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.                                                                                                                                                                                                                                                                                                                                                                   |
| SEBI Listing Regulations,<br>2015/ SEBI Listing<br>Regulations/ Listing<br>Regulations/ SEBI (LODR) | The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.                                                                                                                                                                                                                                                                                                                                                   |
| SEBI Takeover Regulations<br>or SEBI (SAST) Regulations                                             | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.                                                                                                                                                                                                                                                                                                                                                                                                                |
| Self-Certified Syndicate<br>Bank(s) / SCSB(s)                                                       | Shall mean a Banker to an Issue registered under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended from time to time and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time. |
| Sub- Account                                                                                        | Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.                                                                                                                                                                                                                                                                                                                                     |
| SME Exchange                                                                                        | SME Platform of the BSE i.e. BSE SME.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Specified Locations                                                                                 | Collection centres where the SCSBs shall accept application form, a list of which is available on the website of SEBI ( <a href="https://www.sebi.gov.in/">https://www.sebi.gov.in/</a> ) and updated from time to time.                                                                                                                                                                                                                                                                                                                                |
| Specified Securities                                                                                | Equity shares offered through this Red Herring Prospectus.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Sponsor Bank                                                                                        | Sponsor Bank means a Banker to the Issue registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI (National Payments Corporation of India) in order to push the mandate, collect requests and / or payment instructions of the category of individual investors who applies for minimum application size into the UPI.                                                                                                                                                                           |
| Sub Syndicate Member                                                                                | A SEBI Registered member of BSE appointed by the BRLM and/ or syndicate member to act as a Sub Syndicate Member in the Issue.                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Systemically Important Non-<br>Banking Financial Company                                            | Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Transaction Registration Slip/<br>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.                                                                                                                                                                                                                                                                                                                                                                                   |
| U.S. Securities Act                                                                                 | U.S. Securities Act of 1933, as amended                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Underwriter                                                                                         | The BRLM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations, 2018 and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.                                                                                                                                                                                                                                                                                                                                 |



| <b>Terms</b>                            | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Underwriting Agreement                  | The Agreement dated June 21, 2025 entered between the Underwriter, BRLM and our Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| UPI                                     | UPI is an instant payment system developed by the NCPI, it enables merging several banking features, seamless fund routing & merchant payment into one hood. UPI allow instant transfer of money between any two bank accounts using a payment address which uniquely identifies a person's bank account                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| UPI Circulars                           | SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard. |
| UPI ID                                  | ID created on the UPI for single-window mobile payment system developed by the NPCI                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| UPI Mandate Request/<br>Mandate Request | A request (intimating the Individual investors who apply for minimum application size by way of notification on the UPI application and by way of a SMS directing the Individual investors who apply for minimum application size to such UPI application) to the Individual investors who apply for minimum application size by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| UPI Mechanism                           | The mechanism that was used by an RIB to make a Bid in the Issue in accordance with the UPI Circulars on Streamlining of Public Issues                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| UPI PIN                                 | Password to authenticate UPI transaction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Venture Capital Fund/ VCF               | Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Wilful Defaulter(s)                     | Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Working Day                             | In accordance with Regulation 2(1) (mmm) of SEBI (ICDR) Regulations, 2018, working days means, all days on which commercial banks in Mumbai are open for business.<br>However, in respect of–<br>(a) announcement of Price Band; and<br>(b) issue period, working days shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business;<br>(c) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.                                                                                                                                                                                                                                                                                                                                                                              |

#### **Technical and Industry Related Terms**

| <b>Term</b> | <b>Description</b>            |
|-------------|-------------------------------|
| ACFI        | Agro Chem Federation of India |
| AAY         | Antyodaya Ann Yojna           |
| CAD         | Current account Deficit       |

|                   |                                                           |
|-------------------|-----------------------------------------------------------|
| CoEs              | Centers of Excellence                                     |
| CIPET             | Central Institute of Plastics Engineering & Technology    |
| CaCO <sub>3</sub> | Calcium Carbonate                                         |
| DII               | Domestic Institutional Investor                           |
| EVA               | Ethylene Vinyl Acetate                                    |
| GW                | Gigawatts                                                 |
| GCPMH             | Global Chemicals and Petrochemicals Manufacturing Hubs    |
| GDP               | Gross Domestic Product                                    |
| HFI               | High Frequency indicators                                 |
| MMT               | Million Metric Tonnes                                     |
| PCPIR             | Petroleum, Chemicals and Petrochemicals Investment Region |
| PE                | Polyethylene                                              |
| PMGKAY            | Pradhan Mantri Garib Kalyan Ann Yojana                    |
| PLEXCONCIL        | The Plastic Export Promotion Council                      |
| PLI               | Production Linked Incentive                               |
| PET               | Polyethylene Terephthalate                                |
| PHH               | Primary Household                                         |
| PP                | Polypropylene                                             |
| QC                | Quality Control                                           |
| WEO               | World Economic Outlook                                    |
| YoY               | Year over Year                                            |

#### **Conventional terms and Abbreviations**

| <b>Abbreviation</b>      | <b>Full Form</b>                                                                                                                                                         |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Rs. /Rupees/ INR/ ₹      | Indian Rupees                                                                                                                                                            |
| AS / Accounting Standard | Accounting Standards as issued by the Institute of Chartered Accountants of India                                                                                        |
| A/c                      | Account                                                                                                                                                                  |
| ACS                      | Associate Company Secretary                                                                                                                                              |
| AGM                      | Annual General Meeting                                                                                                                                                   |
| ASBA                     | Applications Supported by Blocked Amount                                                                                                                                 |
| Amt.                     | Amount                                                                                                                                                                   |
| AIF                      | Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.                   |
| AY                       | Assessment Year                                                                                                                                                          |
| AOA                      | Articles of Association                                                                                                                                                  |
| Approx                   | Approximately                                                                                                                                                            |
| Bn                       | Billion                                                                                                                                                                  |
| BG/LC                    | Bank Guarantee / Letter of Credit                                                                                                                                        |
| BIFR                     | Board for Industrial and Financial Reconstruction                                                                                                                        |
| BSE                      | BSE Limited                                                                                                                                                              |
| CDSL                     | Central Depository Services (India) Limited                                                                                                                              |
| CAGR                     | Compounded Annual Growth Rate                                                                                                                                            |
| CAN                      | Confirmation of Allocation Note                                                                                                                                          |
| Companies Act, 2013      | Companies Act, 2013 to the extent in force pursuant to the notification of sections of the Companies Act, 2013 along with the relevant rules made thereunder as amended. |
| Companies Act, 1956      | Companies Act, 1956 (without reference to the provisions that have ceased upon notification of the Companies Act, 2013) along with the relevant rules made thereunder.   |
| CA                       | Chartered Accountant                                                                                                                                                     |
| CAIIB                    | Certified Associate of Indian Institute of Bankers                                                                                                                       |
| CB                       | Controlling Branch                                                                                                                                                       |
| CC                       | Cash Credit                                                                                                                                                              |

| Abbreviation               | Full Form                                                                                                                                                                                                                                                                                                                                         |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CIN                        | Corporate Identification Number                                                                                                                                                                                                                                                                                                                   |
| CIT                        | Commissioner of Income Tax                                                                                                                                                                                                                                                                                                                        |
| CS                         | Company Secretary                                                                                                                                                                                                                                                                                                                                 |
| CS & CO                    | Company Secretary & Compliance Officer                                                                                                                                                                                                                                                                                                            |
| CFO                        | Chief Financial Officer                                                                                                                                                                                                                                                                                                                           |
| CSR                        | Corporate Social Responsibility                                                                                                                                                                                                                                                                                                                   |
| C.P.C.                     | Code of Civil Procedure, 1908                                                                                                                                                                                                                                                                                                                     |
| CrPC                       | Code of Criminal Procedure, 1973                                                                                                                                                                                                                                                                                                                  |
| CENVAT                     | Central Value Added Tax                                                                                                                                                                                                                                                                                                                           |
| CST                        | Central Sales Tax                                                                                                                                                                                                                                                                                                                                 |
| CMD                        | Chairman and Managing Director                                                                                                                                                                                                                                                                                                                    |
| DIN                        | Director Identification Number                                                                                                                                                                                                                                                                                                                    |
| DIPP                       | Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India                                                                                                                                                                                                                                                          |
| DP                         | Depository Participant                                                                                                                                                                                                                                                                                                                            |
| DP ID                      | Depository Participant's Identification Number                                                                                                                                                                                                                                                                                                    |
| EBITDA                     | Earnings Before Interest, Taxes, Depreciation & Amortization                                                                                                                                                                                                                                                                                      |
| ECS                        | Electronic Clearing System                                                                                                                                                                                                                                                                                                                        |
| ESIC                       | Employee's State Insurance Corporation                                                                                                                                                                                                                                                                                                            |
| EPFA                       | Employee's Provident Funds and Miscellaneous Provisions Act, 1952                                                                                                                                                                                                                                                                                 |
| EMI                        | Equated Monthly Installment                                                                                                                                                                                                                                                                                                                       |
| EPS                        | Earnings Per Share                                                                                                                                                                                                                                                                                                                                |
| EGM /EOGM                  | Extraordinary General Meeting                                                                                                                                                                                                                                                                                                                     |
| ESOP                       | Employee Stock Option Plan                                                                                                                                                                                                                                                                                                                        |
| EXIM/ EXIM Policy          | Export – Import Policy                                                                                                                                                                                                                                                                                                                            |
| FCNR Account               | Foreign Currency Non-Resident Account                                                                                                                                                                                                                                                                                                             |
| FIPB                       | Foreign Investment Promotion Board                                                                                                                                                                                                                                                                                                                |
| FY / Fiscal/Financial Year | Period of twelve months ended March 31 of that particular year, unless otherwise stated                                                                                                                                                                                                                                                           |
| FEMA                       | Foreign Exchange Management Act, 1999 as amended from time to time and the regulations framed there under.                                                                                                                                                                                                                                        |
| FCNR Account               | Foreign Currency Non-Resident Account                                                                                                                                                                                                                                                                                                             |
| FBT                        | Fringe Benefit Tax                                                                                                                                                                                                                                                                                                                                |
| FDI                        | Foreign Direct Investment                                                                                                                                                                                                                                                                                                                         |
| Fis                        | Financial Institutions                                                                                                                                                                                                                                                                                                                            |
| FIIIs                      | Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India                                                                                                                           |
| FPIs                       | “Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992 |
| FTA                        | Foreign Trade Agreement                                                                                                                                                                                                                                                                                                                           |
| FVCI                       | Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.                                                                                                                                                                                    |
| FEMA                       | Foreign Exchange Management Act, 1999, including the rules and regulations thereunder                                                                                                                                                                                                                                                             |
| FEMA Rules                 | Foreign Exchange Management (Non-debt Instruments) Rules, 2019                                                                                                                                                                                                                                                                                    |
| Finance Act                | Finance Act, 1994                                                                                                                                                                                                                                                                                                                                 |
| Fraudulent Borrower        | A fraudulent borrower as defined in Regulation 2(1)(III) of the SEBI ICDR Regulations.                                                                                                                                                                                                                                                            |
| FV                         | Face Value                                                                                                                                                                                                                                                                                                                                        |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018                                                                                                                                                                                                                          |

| <b>Abbreviation</b> | <b>Full Form</b>                                                                                                                                                                                                                                           |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GoI/Government      | Government of India                                                                                                                                                                                                                                        |
| GDP                 | Gross Domestic Product                                                                                                                                                                                                                                     |
| GIR Number          | General Index Registry Number                                                                                                                                                                                                                              |
| GST                 | Goods and Services Tax                                                                                                                                                                                                                                     |
| GVA                 | Gross Value Added                                                                                                                                                                                                                                          |
| HUF                 | Hindu Undivided Family                                                                                                                                                                                                                                     |
| HNI                 | High Net Worth Individual                                                                                                                                                                                                                                  |
| IBC                 | The Insolvency and Bankruptcy Code, 2016                                                                                                                                                                                                                   |
| ISIN                | International Securities Identification Number                                                                                                                                                                                                             |
| IST                 | Indian Standard Time                                                                                                                                                                                                                                       |
| IMF                 | International Monetary Fund                                                                                                                                                                                                                                |
| IIP                 | Index of Industrial Production                                                                                                                                                                                                                             |
| IPO                 | Initial Public Offer                                                                                                                                                                                                                                       |
| ICSI                | The Institute of Company Secretaries of India                                                                                                                                                                                                              |
| IT                  | Information Technology                                                                                                                                                                                                                                     |
| IFRS                | International Financial Reporting Standards                                                                                                                                                                                                                |
| INR / ₹/ Rupees     | Indian Rupees, the legal currency of the Republic of India                                                                                                                                                                                                 |
| I.T. Act            | Income Tax Act, 1961, as amended from time to time                                                                                                                                                                                                         |
| IT Authorities      | Income Tax Authorities                                                                                                                                                                                                                                     |
| IT Rules            | Income Tax Rules, 1962, as amended, except as stated otherwise                                                                                                                                                                                             |
| Indian GAAP         | Generally Accepted Accounting Principles in India                                                                                                                                                                                                          |
| Ind AS              | Indian Accounting Standards as referred to in and notified by the Ind AS Rules                                                                                                                                                                             |
| Ind AS Rules        | The Companies (Indian Accounting Standard) Rules, 2015                                                                                                                                                                                                     |
| IRDA                | Insurance Regulatory and Development Authority                                                                                                                                                                                                             |
| JV/ Joint Venture   | A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.                                                                                                                                        |
| KMP                 | Key Managerial Personnel                                                                                                                                                                                                                                   |
| KPI                 | Key Performance Indicators                                                                                                                                                                                                                                 |
| LLB                 | Bachelor of Law                                                                                                                                                                                                                                            |
| BRLM                | Book Running Lead Manager                                                                                                                                                                                                                                  |
| Ltd.                | Limited                                                                                                                                                                                                                                                    |
| LLP                 | Limited Liability Partnership                                                                                                                                                                                                                              |
| MAT                 | Minimum Alternate Tax                                                                                                                                                                                                                                      |
| MoF                 | Ministry of Finance, Government of India                                                                                                                                                                                                                   |
| MoU                 | Memorandum of Understanding                                                                                                                                                                                                                                |
| M. A                | Master of Arts                                                                                                                                                                                                                                             |
| MCA                 | Ministry of Corporate Affairs, Government of India                                                                                                                                                                                                         |
| M. B. A             | Master of Business Administration                                                                                                                                                                                                                          |
| MAT                 | Minimum Alternate Tax                                                                                                                                                                                                                                      |
| M. Com              | Master of Commerce                                                                                                                                                                                                                                         |
| Mn                  | Million                                                                                                                                                                                                                                                    |
| M. E                | Master of Engineering                                                                                                                                                                                                                                      |
| M. Tech             | Masters of Technology                                                                                                                                                                                                                                      |
| Merchant Banker     | Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992                                                                                                                                           |
| MSME                | Micro, Small and Medium Enterprises                                                                                                                                                                                                                        |
| MAPIN               | Market Participants and Investors Database                                                                                                                                                                                                                 |
| MB                  | Masterbatches                                                                                                                                                                                                                                              |
| NA                  | Not Applicable                                                                                                                                                                                                                                             |
| NCLT                | National Company Law Tribunal                                                                                                                                                                                                                              |
| Net worth           | The aggregate of paid-up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account |
| NACH                | National Automated Clearing House                                                                                                                                                                                                                          |
| NEFT                | National Electronic Funds Transfer                                                                                                                                                                                                                         |

| Abbreviation                   | Full Form                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NECS                           | National Electronic Clearing System                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| NAV                            | Net Asset Value                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| NCT                            | National Capital Territory                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| NPV                            | Net Present Value                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| NRIs                           | Non-Resident Indians                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| NRE Account                    | Non-Resident External Account                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| NRO Account                    | Non-Resident Ordinary Account                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| NSE                            | National Stock Exchange of India Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| NOC                            | No Objection Certificate                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| NSDL                           | National Securities Depository Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| OCB or Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Issue. |
| P.A.                           | Per Annum                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| PF                             | Provident Fund                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| PG                             | Post Graduate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| PGDBA                          | Post Graduate Diploma in Business Administration                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| PLR                            | Prime Lending Rate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| PAC                            | Persons Acting in Concert                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| P/E Ratio                      | Price/Earnings Ratio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| PAN                            | Permanent Account Number                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| PAT                            | Profit After Tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| P.O.                           | Purchase Order                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| PBT                            | Profit Before Tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| PLI                            | Postal Life Insurance                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| POA                            | Power of Attorney                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| PSU                            | Public Sector Undertaking(s)                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Pvt.                           | Private                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Q.C.                           | Quality Control                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| RoC                            | Registrar of Companies                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| RBI                            | The Reserve Bank of India                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Registration Act               | Registration Act, 1908                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| ROE                            | Return on Equity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| R&D                            | Research & Development                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| RONW                           | Return on Net Worth                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| RTGS                           | Real Time Gross Settlement                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| SCRA                           | Securities Contracts (Regulation) Act, 1956, as amended from time to time                                                                                                                                                                                                                                                                                                                                                                                                                           |
| SCRR                           | Securities Contracts (Regulation) Rules, 1957, as amended from time to time                                                                                                                                                                                                                                                                                                                                                                                                                         |
| SCPL                           | Seren Capital Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| SME                            | Small and Medium Enterprises                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| SMP                            | Senior Management Personnel                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| SCSB                           | Self-Certified syndicate Banks                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| STT                            | Securities Transaction Tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Sub-Account                    | Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.                                                                                                                                                                                                                                                                                                                    |
| Sec.                           | Section                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| SPV                            | Special Purpose Vehicle                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| TAN                            | Tax Deduction Account Number                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| TRS                            | Transaction Registration Slip                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Trade Marks Act                | Trade Marks Act, 1999                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| TIN                            | Taxpayers Identification Number                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |



| Abbreviation              | Full Form                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| UIN                       | Unique identification number                                                                                                                                                                                                                                                                                                                                                                                       |
| U.N.                      | United Nations                                                                                                                                                                                                                                                                                                                                                                                                     |
| US/United States          | United States of America                                                                                                                                                                                                                                                                                                                                                                                           |
| USD/ US\$/ \$             | United States Dollar, the official currency of the United States of America                                                                                                                                                                                                                                                                                                                                        |
| U.S. GAAP                 | Generally Accepted Accounting Principles in the United States of America                                                                                                                                                                                                                                                                                                                                           |
| VAT                       | Value Added Tax                                                                                                                                                                                                                                                                                                                                                                                                    |
| VCF/ Venture Capital Fund | Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.                                                                                                                                                                                                                                 |
| Willful Defaulter(s)      | Company or person categorized as a willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorized as such and as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018. |
| WDV                       | Written Down Value                                                                                                                                                                                                                                                                                                                                                                                                 |
| WTD                       | Whole Time Director                                                                                                                                                                                                                                                                                                                                                                                                |
| w.e.f.                    | With effect from                                                                                                                                                                                                                                                                                                                                                                                                   |
| -, (₹)                    | Represent Outflow                                                                                                                                                                                                                                                                                                                                                                                                  |

#### Key Performance Indicators terms

| Terms                      | Description                                                                                                                    |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| Revenue from operation     | Revenue from sales, service and other operating revenues                                                                       |
| EBITDA                     | Profit before tax + Depreciation + Interest Expenses - Other Income                                                            |
| EBITDA Margin              | EBITDA divided by Revenue from Operations                                                                                      |
| PAT                        | Profit before tax – Tax Expenses                                                                                               |
| PAT Margin                 | PAT for the period/year divided by revenue from operations                                                                     |
| Return on Equity           | Ratio of Profit after Tax and Average Shareholder Equity                                                                       |
| Return on Capital Employed | EBIT divided by capital employed, which is defined as shareholders' equity plus long term borrowings and short-term borrowings |

For details, please refer to the section ***“Basis for Issue Price – Key Performance Indicators”*** on page 94 of the RHP.

The words and expressions used but not defined in this Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in ***“Main Provisions of the Articles of Association”, “Statement of Special Tax Benefits”, “Industry Overview”, “Regulations and Policies in India”, “Financial Information of the Company”, “Outstanding Litigations and Material Developments” and “Issue Procedure”***, will have the meaning ascribed to such terms in these respective sections.

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

### **Certain Conventions**

All references in the Red Herring Prospectus to “India” are to the Republic of India. All references in the Red Herring Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

In this 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”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crores”. In this Red Herring Prospectus, any discrepancies in any table between total and the sum 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.

### **Use of Financial Data**

Unless stated otherwise, throughout this Red Herring Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Red Herring Prospectus is derived from our restated financial information prepared for the financial year ended on March 31, 2025, March 31, 2024 and March 31, 2023 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled ***“Financial Information of the Company”*** beginning on page 157 of this Red Herring Prospectus.

Unless indicated otherwise, all references to a year in this Red Herring Prospectus are to a calendar year and references to a Fiscal or a Fiscal Year are to the year ended on March 31, of that calendar year.

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 and accordingly, all references in this Red Herring Prospectus to a particular financial year 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.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in ***“Risk Factors”***, ***“Our Business”***, ***“Management’s Discussion and Analysis of Financial Condition and Results of Operations”*** and elsewhere in the Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2018, as stated in the report of our Peer Review Auditor, set out in section titled ***“Financial Information of the Company”*** beginning on page 157 of this Red Herring Prospectus. Our fiscal year commences on April 1 of every year and ends on March 31<sup>st</sup> of every next year.

For additional definitions used in this Red Herring Prospectus, see the section ***“Definitions and Abbreviations”*** on page 1 of this Red Herring Prospectus. In the section titled ***“Main Provisions of the Articles of Association”***, on page 291 of the Red Herring Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

### **Use of Industry & Market Data**

Unless stated otherwise, industry and market data and forecast used throughout the Prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications.

Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

In accordance with the SEBI (ICDR) Regulations, 2018 the section titled ***“Basis for Issue Price”*** on page 92 of the Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources and neither we, nor the BRLM, have independently verified such information.

### **Currency of Financial Presentation**

All references to “Rupees” or “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled ***“Industry Overview”*** throughout the Red Herring Prospectus all figures have been expressed in Lakhs.

Any percentage amounts, as set forth in ***“Risk Factors”***, ***“Our Business”***, ***“Management's Discussion and Analysis of Financial Conditions and Results of Operations”*** on page 26, 111 and 211 respectively of this Red Herring Prospectus, unless otherwise indicated, have been calculated based on our restated financial statements prepared in accordance with Indian GAAP.

The Red Herring Prospectus contains conversion of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI (ICDR) Regulations, 2018. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

## **FORWARD LOOKING STATEMENTS**

This Red Herring Prospectus includes certain “forward-looking statements”. We have included statements in the Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events 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. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Any change in government policies resulting in increases in taxes payable by us;
3. Our ability to retain our key managements persons and other employees;
4. Changes in laws and regulations that apply to the industries in which we operate.
5. Our failure to keep pace with rapid changes in technology;
6. Our ability to grow our business;
7. General economic, political and other risks that are out of our control;
8. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
9. Company’s ability to successfully implement its growth strategy and expansion plans;
10. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
11. Inability to successfully obtain registrations in a timely manner or at all;
12. Occurrence of Environmental Problems & Uninsured Losses;
13. Conflicts of interest with affiliated companies, the promoter group and other related parties;
14. Any adverse outcome in the legal proceedings in which we are involved;
15. Concentration of ownership among our Promoter;
16. The performance of the financial markets in India and globally;
17. Global distress due to pandemic, war or by any other reason.

For further discussion of factors that could cause our actual results to differ, see the Section titled ***“Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”*** beginning on page 26, 111 and 211 respectively of the 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 future gains or losses could materially differ from those that have been estimated.

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

Neither our Company or our Directors or our Officers or Book Running Lead Manager or Underwriter 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 SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.

## **SECTION II – SUMMARY OF RED HERRING PROSPECTUS**

### **A. OVERVIEW OF BUSINESS**

Incorporated in 1995, our company is primarily engaged in the manufacturing of masterbatches, which are used in the plastics industry to impart colour and enhance the functional properties of plastic products. Masterbatches are concentrated mixtures of pigments and additives that are uniformly dispersed in polymer carriers, facilitating the effective integration of colour and performance-enhancing properties into plastic products. During plastic processing, masterbatches enable the uniform dispersion of pigments within the plastic resin, ensuring consistent colour distribution throughout the final plastic product without uneven patches or variations. They are also used to enhance visual appearance and impart specific properties to plastic materials such as UV resistance, flame retardancy and anti-static behavior.

### **B. OVERVIEW OF THE INDUSTRY**

India's chemical industry is extremely diversified and can be broadly classified into bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers and fertilizers. India is the 6th largest producer of chemicals in the world and 3rd in Asia, contributing 7% to India's GDP. The Indian chemical industry is currently valued at US\$ 220 billion and is expected to reach US\$ 300 billion by 2030 and US\$ 1 trillion by 2040. This industry remains an active hub of opportunities, even in an environment of global uncertainty. India holds a strong position in exports and imports of chemicals at a global level and ranks 14th in exports and 8th in imports at the global level (excluding pharmaceuticals). During April-September 2024, India's dye exports (Dyes and Dye Intermediates) totaled US\$ 1.26 billion. (Source: <https://www.ibef.org/industry/chemical-industry-india>)

### **C. PROMOTERS**

Mehul Pravinchandra Joshi and Bhakti Mehul Joshi are the promoters of our Company.

### **D. DETAILS OF THE ISSUE**

This is an Initial Public Issue of upto 30,08,000 Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] lakhs ("The Issue"), out of which 1,52,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] lakhs will be reserved for subscription by the market maker to the issue (the "Market Maker Reservation Portion"). The Issue less Market Maker Reservation Portion i.e., Issue of 28,56,000 Equity Shares of face value of ₹ 10 each, at an issue price of ₹ [●] per Equity Share for cash, aggregating to ₹ [●] lakhs is hereinafter referred to as the "Net Issue".

### **E. OBJECTS OF THE ISSUE**

Our Company intends to utilize the Proceeds of the Issue to meet the following objects:

| Sr. No. | Particulars                                                                | Amount (₹ in lakhs) |
|---------|----------------------------------------------------------------------------|---------------------|
| 1.      | Funding of capital expenditure towards setup of new manufacturing facility | 1463.48             |
| 2.      | Funding of Working Capital Requirements                                    | 400.00              |
| 3.      | General Corporate Purpose                                                  | [●]                 |
|         | <b>Total</b>                                                               | <b>[●]</b>          |

### **F. AGGREGATE PRE-ISSUE AND POST ISSUE SHAREHOLDING OF OUR PROMOTERS AND THE MEMBER OF OUR PROMOTER GROUP**

Aggregate Pre-issue and post issue shareholding of our promoters and the member of our Promoter Group as on the date of Red Hearing Prospectus is set out below:

| Name | Pre Issue                                         |                                                  | Post Issue*                                       |                                       |
|------|---------------------------------------------------|--------------------------------------------------|---------------------------------------------------|---------------------------------------|
|      | Number of Equity Shares of face value of ₹10 each | Percentage of pre-Issue Equity Share capital (%) | Number of Equity Shares of face value of ₹10 each | Percentage of post-Issue Equity Share |

|                                |                  |              |            | capital (%) |
|--------------------------------|------------------|--------------|------------|-------------|
| <b>Promoters (A)</b>           |                  |              |            |             |
| Mehul Pravinchandra Joshi      | 66,53,520        | 88.23        | [●]        | [●]         |
| Bhakti Mehul Joshi             | 6,50,000         | 8.62         | [●]        | [●]         |
| <b>Sub Total (A)</b>           | <b>73,03,520</b> | <b>96.85</b> | <b>[●]</b> | <b>[●]</b>  |
| <b>Promoter Group (B)</b>      |                  |              |            |             |
| Pravinchandra Girdharlal Joshi | 258              | 0.00         | [●]        | [●]         |
| Usha Pravinchandra Joshi       | 258              | 0.00         | [●]        | [●]         |
| <b>Sub Total (B)</b>           | <b>516</b>       | <b>0.01</b>  | <b>[●]</b> | <b>[●]</b>  |
| <b>Total (A) + (B)</b>         | <b>73,04,036</b> | <b>96.86</b> | <b>[●]</b> | <b>[●]</b>  |

\*Subject to completion of the Issue and finalization of the Basis of Allotment.

**G. AGGREGATE PRE-ISSUE SHAREHOLDING OF OUR PROMOTERS, OUR PROMOTER GROUP AND THE ADDITIONAL TOP 10 SHAREHOLDERS**

The aggregate pre-issue shareholding of our Promoters, our Promoter Group and any other top 10 Shareholders as a percentage of the pre-issue paid-up Equity Share capital of our Company is set out below:

| Name                                                   | Pre Issue                                      |                                                   | Post-Issue shareholding as at Allotment*          |                                                   |                                                   |                                                   |
|--------------------------------------------------------|------------------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
|                                                        | No. of Equity Shares of face value of ₹10 each | Percentage of pre- Issue Equity Share capital (%) | At the lower end of the price band (₹[●])         |                                                   | At the upper end of the price band (₹[●])         |                                                   |
|                                                        |                                                |                                                   | Number of Equity Shares of face value of ₹10 each | Percentage of post Issue Equity Share capital (%) | Number of Equity Shares of face value of ₹10 each | Percentage of post Issue Equity Share capital (%) |
| <b>Promoters (A)</b>                                   |                                                |                                                   |                                                   |                                                   |                                                   |                                                   |
| Mehul Pravinchandra Joshi                              | 66,53,520                                      | 88.23                                             | [●]                                               | [●]                                               | [●]                                               | [●]                                               |
| Bhakti Mehul Joshi                                     | 6,50,000                                       | 8.62                                              | [●]                                               | [●]                                               | [●]                                               | [●]                                               |
| <b>Sub Total (A)</b>                                   | <b>73,03,520</b>                               | <b>96.85</b>                                      | <b>[●]</b>                                        | <b>[●]</b>                                        | <b>[●]</b>                                        | <b>[●]</b>                                        |
| <b>Promoter Group (B)</b>                              |                                                |                                                   |                                                   |                                                   |                                                   |                                                   |
| Pravinchandra Girdharlal Joshi                         | 258                                            | 0.00                                              | [●]                                               | [●]                                               | [●]                                               | [●]                                               |
| Usha Pravinchandra Joshi                               | 258                                            | 0.00                                              | [●]                                               | [●]                                               | [●]                                               | [●]                                               |
| <b>Sub Total (B)</b>                                   | <b>516</b>                                     | <b>0.01</b>                                       | <b>[●]</b>                                        | <b>[●]</b>                                        | <b>[●]</b>                                        | <b>[●]</b>                                        |
| <b>Top 10 shareholders other than the above (C)</b>    |                                                |                                                   |                                                   |                                                   |                                                   |                                                   |
| Sunrise India Growth Trust - Sunrise India Growth Fund | 1,00,000                                       | 1.33                                              | [●]                                               | [●]                                               | [●]                                               | [●]                                               |
| Amrut Bharat Opportunities Fund - Series I             | 75,000                                         | 0.99                                              | [●]                                               | [●]                                               | [●]                                               | [●]                                               |



|                         |                  |               |     |     |     |     |
|-------------------------|------------------|---------------|-----|-----|-----|-----|
| Ms. Priya Vijay Thakkar | 62,000           | 0.82          | [●] | [●] | [●] | [●] |
| Arokia Mary Sebestian   | 1                | Negligible    | [●] | [●] | [●] | [●] |
| Rashmi Rajendra Parab   | 1                | Negligible    | [●] | [●] | [●] | [●] |
| Kishan Narayan Bhagat   | 1                | Negligible    | [●] | [●] | [●] | [●] |
| Rosemary Kumar          | 1                | Negligible    | [●] | [●] | [●] | [●] |
| <b>Sub Total (C)</b>    | <b>2,37,004</b>  | <b>3.14</b>   | [●] | [●] | [●] | [●] |
| <b>TOTAL (A+B+C)</b>    | <b>75,41,040</b> | <b>100.00</b> | [●] | [●] | [●] | [●] |

*\*Subject to completion of the Issue and finalization of the Basis of Allotment. To be included in the Prospectus.*

## **H. SUMMARY OF FINANCIAL INFORMATION**

Following are the details as per the restated financial statements for the financial years ended on March 31, 2025, March 31, 2024 and March 31, 2023:

| (₹ in lakhs)                                                                  |                |                |                |
|-------------------------------------------------------------------------------|----------------|----------------|----------------|
| Particulars                                                                   | March 31, 2025 | March 31, 2024 | March 31, 2023 |
| Equity Share Capital                                                          | 754.10         | 29.00          | 29.00          |
| Total Equity                                                                  | 951.96         | 1,155.71       | 835.76         |
| Total Income                                                                  | 2371.29        | 2,265.67       | 2,136.60       |
| Profit after tax                                                              | 550.30         | 321.82         | 293.96         |
| Earnings per Share <i>(based on weighted average number of shares)</i>        | 7.30           | 4.27           | 3.90           |
| Net Asset Value per Share <i>(based on weighted average number of shares)</i> | 22.62          | 15.33          | 11.08          |
| Total Borrowings                                                              | -              | 36.16          | -              |

## **I. AUDITOR QUALIFICATIONS NOT GIVEN EFFECT IN THE RESTATED FINANCIAL STATEMENTS**

There are no audit qualifications which have not been given effect in the restated financial information.

## **J. SUMMARY OF OUTSTANDING LITIGATIONS**

Our Company and the Directors are involved in certain legal proceedings. A brief detail of such outstanding litigations as on the date of this Red Herring Prospectus are as follows:

### **Litigations involving the Company:**

| (₹ in lakhs)                                                  |                          |                                                        |
|---------------------------------------------------------------|--------------------------|--------------------------------------------------------|
| Nature of Cases                                               | No. of Outstanding Cases | Amount in dispute/demanded to the extent ascertainable |
| Criminal proceedings filed by the Company                     | Nil                      | Nil                                                    |
| <b>Tax proceedings:</b>                                       |                          |                                                        |
| Direct Tax                                                    | 1                        | ₹2.86                                                  |
| Indirect Tax                                                  | 1                        | ₹8.26                                                  |
| <b>Other pending material litigation filed by the company</b> | Nil                      | Nil                                                    |
| <b>Total</b>                                                  | <b>2</b>                 | <b>₹11.12</b>                                          |

### **Litigations involving our Directors:**

(₹ in lakhs)

| Nature of Cases                                                 | No. of Outstanding Cases | Amount in dispute/demanded to the extent ascertainable |
|-----------------------------------------------------------------|--------------------------|--------------------------------------------------------|
| Criminal proceedings involving the Directors                    | Nil                      | Nil                                                    |
| <b>Tax proceedings:</b>                                         |                          |                                                        |
| Direct Tax                                                      | Nil                      | Nil                                                    |
| Indirect Tax                                                    | Nil                      | Nil                                                    |
| <b>Other Material Pending Litigation involving Directors:</b>   |                          |                                                        |
| Filed against Directors                                         | Nil                      | Nil                                                    |
| Filed by Directors<br>- Jyoti Abhay Jain (Independent Director) | 1                        | ₹16.69                                                 |
| <b>Total</b>                                                    | <b>1</b>                 | <b>₹16.69</b>                                          |

Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Red Herring Prospectus. For further details, please refer to the chapter titled “**Outstanding Litigations and Material Developments**” on page 220 of this Red Herring Prospectus

#### **K. RISK FACTORS**

For details on the risks involved in our business, please see the Chapter titled “**Risk Factors**” beginning on page 26 of this Red Herring Prospectus.

#### **L. SUMMARY OF CONTINGENT LIABILITIES**

Following is the summary of the Contingent Liabilities and Commitments of the Company:

| Particulars              | (Rs. In lacs)                     |                                   |                                   |
|--------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                          | For the year ended 31 March, 2025 | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
| In respect of GST        | 4.13                              | 4.13                              | -                                 |
| In respect of Income Tax | 2.86                              | 2.01                              | 2.01                              |
| <b>TOTAL</b>             | <b>6.99</b>                       | <b>6.14</b>                       | <b>2.01</b>                       |

For further details, please refer to Annexure 30 Contingent Liabilities of the chapter titled “**Financial Information of the Company**” on page 157 of this Red Herring Prospectus.

#### **M. SUMMARY OF RELATED PARTY TRANSACTIONS**

Following is the summary of the related party transactions entered by the Company (based on Restated Financial Statements) for the financial year ended on March 31, 2025, March 31, 2024 and March 31, 2023:

##### **List of Related Parties as per AS - 18**

| Particulars                                         | Names of related parties       | Nature of Relationship                                                                    |
|-----------------------------------------------------|--------------------------------|-------------------------------------------------------------------------------------------|
| <b>Directors and Key Management Personnel (KMP)</b> |                                |                                                                                           |
|                                                     | Mehul Pravinchandra Joshi      | Director (Upto 12th March 2025)<br>Chairman and Managing Director (w.e.f 13th March 2025) |
|                                                     | Bhakti Mehul Joshi             | Director (Upto 12th March 2025)<br>Whole Time Director (w.e.f 13th March 2025)            |
|                                                     | Hiral Rasikbhai Joshi          | Non-Executive Director (w.e.f 12th March 2025)                                            |
|                                                     | Rashmi Parab                   | Chief Financial Officer (w.e.f 12th March 2025)                                           |
|                                                     | Shilpa Karan Mehta             | Company Secretary                                                                         |
| <b>Relative of Director</b>                         |                                |                                                                                           |
|                                                     | Usha Pravinchandra Joshi       | Relative of Director                                                                      |
|                                                     | Pravinchandra Girdharlal Joshi | Relative of Director                                                                      |

**Details of transactions with related parties and balances**

**(₹ In Lakhs)**

| Name                                  | Relationship                 | Nature of transaction | 31 March 2025                         |                                                     | 31 March 2024                         |                                                     | 31 March 2023                         |                                                     |
|---------------------------------------|------------------------------|-----------------------|---------------------------------------|-----------------------------------------------------|---------------------------------------|-----------------------------------------------------|---------------------------------------|-----------------------------------------------------|
|                                       |                              |                       | Amount of transaction during the year | Balance as at 31 March 2025 Receivables/ (Payables) | Amount of transaction during the year | Balance as at 31 March 2024 Receivables/ (Payables) | Amount of transaction during the year | Balance as at 31 March 2023 Receivables/ (Payables) |
| <b>Mehul Pravinchandra Joshi</b>      | Chairman & Managing Director | Rent Expenses         | 27.00                                 | (11.06)                                             | 27.00                                 | -                                                   | 26.50                                 | (0.92)                                              |
|                                       |                              | Director Remuneration | 33.80                                 | (0.40)                                              | 33.80                                 | 4.47                                                | 33.80                                 | (1.57)                                              |
|                                       |                              |                       |                                       |                                                     |                                       |                                                     |                                       |                                                     |
| <b>Bhakti Mehul Joshi</b>             | Whole Time Director          | Rent Expenses         | 22.80                                 | (10.07)                                             | 22.80                                 | -                                                   | 22.30                                 | -                                                   |
|                                       |                              | Director Remuneration | 31.20                                 | (1.00)                                              | 31.20                                 | 4.79                                                | 31.20                                 | (1.65)                                              |
|                                       |                              |                       |                                       |                                                     |                                       |                                                     |                                       |                                                     |
| <b>Pravinchandra Girdharlal Joshi</b> | Relative of Director         | Rent Expenses         | 7.70                                  | (1.73)                                              | 8.05                                  | (0.32)                                              | 12.11                                 | -                                                   |
|                                       |                              | Director Remuneration | 24.00                                 | -                                                   | 33.80                                 | 1.38                                                | 33.80                                 | (1.95)                                              |
|                                       |                              |                       |                                       |                                                     |                                       |                                                     |                                       |                                                     |
| <b>Usha Pravinchandra Joshi</b>       | Relative of Director         | Rent Expenses         | 6.11                                  | (0.35)                                              | 18.12                                 | (1.16)                                              | 18.12                                 | -                                                   |
|                                       |                              | Director Remuneration | 26.00                                 | -                                                   | 31.20                                 | 1.53                                                | 31.20                                 | (1.80)                                              |
|                                       |                              |                       |                                       |                                                     |                                       |                                                     |                                       |                                                     |
| <b>Rashmi Parab</b>                   | Chief Financial Officer      | Salary                | 0.31                                  | -                                                   | -                                     | -                                                   | -                                     | -                                                   |
|                                       |                              |                       |                                       |                                                     |                                       |                                                     |                                       |                                                     |
| <b>Shilpa Karan Mehta</b>             | Company Secretary            | Salary                | 0.16                                  | -                                                   | -                                     | -                                                   | -                                     | -                                                   |

Note: -

1. List of Related parties has been identified by the management and relied upon by the Auditor.
2. The amount stated above are exclusive of GST.
3. The transactions pertaining to the CFO and Non-Executive Director are effective from 12th March 2025

**N. DETAILS OF FINANCING ARRANGEMENTS**

There are no financing arrangements whereby the promoters, members of the Promoter Group, the directors of the issuer and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Red Herring Prospectus.

**O. WEIGHTED AVERAGE PRICE OF THE SHARES ACQUIRED BY PROMOTERS IN LAST ONE YEAR**

| Sr. No. | Name of the Promoter      | No. of Shares acquired in last one year | Weighted Average Price (in ₹) |
|---------|---------------------------|-----------------------------------------|-------------------------------|
| 1.      | Mehul Pravinchandra Joshi | 63,88,500                               | 0.00                          |
| 2.      | Bhakti Mehul Joshi        | 6,25,000                                | 0.00                          |

**P. AVERAGE COST OF ACQUISITION OF SHARES**

The average cost of acquisition of Equity Shares by our Promoters is set forth in the table below:

| Sr. No. | Name of the Promoters     | No. of Shares of face value of Rs. 10 each held | Average cost of Acquisition (in ₹) |
|---------|---------------------------|-------------------------------------------------|------------------------------------|
| 1.      | Mehul Pravinchandra Joshi | 66,53,520                                       | Nil*                               |
| 2.      | Bhakti Mehul Joshi        | 6,50,000                                        | 0.38                               |

*Note - On July 02, 2025, Mr. Mehul Pravinchandra Joshi, Promoter of the Company, sold 2,37,000 equity shares for a total consideration of ₹ 1,13,76,000. As the sale proceeds exceeded the aggregate original cost of acquisition of the said shares, the cost of acquisition for the equity shares currently held by the Promoter is considered to be Nil.*

**Q. EQUITY SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH**

Except for bonus issue of equity shares of face value of Rs. 10 each, our Company has not issued Equity Shares for consideration other than cash in the last one year.

**R. SPLIT/ CONSOLIDATION OF EQUITY SHARES**

Our company has not done any split/consolidation/ subdivision of equity shares of the Company since incorporation.

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

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

**T. PRE-IPO PLACEMENT:**

Our Company is not considering any pre-IPO placement of equity shares of the Company.

### **SECTION III: RISK FACTORS**

*An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Red Herring Prospectus, particularly the “Financial Information of the Company” and the related notes, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 157, 111 and 211 respectively of this Red Herring Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.*

*The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.*

*This Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.*

#### **Materiality**

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

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

#### **Note:**

*The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.*

*In this Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “Risk Factors” on page 26 and “Management Discussion and Analysis of Financial Condition and Results of Operations” on page 211 of this Red Herring Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “Restated Financial Statements”.*

#### **INTERNAL RISK FACTORS:**

- 1. We derived a significant portion of our revenue from the sale of our key product i.e. Masterbatches. Any decline in the sales of our key offering could have an adverse effect on our business, results of operations and financial condition.***

We generate a significant portion of our revenue from our key product i.e. Masterbatches which contributed 84.17%, 82.29% and 79.23% of our revenue from operations for the Fiscal years 2025, 2024 and 2023 respectively. Masterbatches are concentrated mixtures of pigments and additives that are uniformly dispersed in polymer carriers, facilitating the effective integration of colour and performance-enhancing properties into plastic products. For details on our products, please refer to section “Our Business - Our Product Offerings” on page 115 of this RHP.

The following table sets forth information on our product mix in terms of revenue contribution in the periods indicated:

*(Rs. in lakhs)*

| S. No | Product Categories | FY-2024-2025   | %              | FY-2023-2024   | %              | FY-2022-2023   | %              |
|-------|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 1.    | Masterbatches      | 1920.83        | 84.17%         | 1805.04        | 82.29%         | 1678.00        | 79.23%         |
| 2.    | Pigments           | 361.37         | 15.83%         | 388.60         | 17.71%         | 439.92         | 20.77%         |
|       | <b>Total</b>       | <b>2282.20</b> | <b>100.00%</b> | <b>2193.64</b> | <b>100.00%</b> | <b>2117.92</b> | <b>100.00%</b> |

Any decline in the sales of masterbatches on account of any reason including increased competition, evolving customer preferences, pricing pressures or supply chain disruptions, or shifts in industry trends may adversely affect our business, results of operations and financial condition. We cannot assure you that we will be able to maintain the historical levels of sales for masterbatches in the future. Any inability on our end to anticipate and adapt to technological changes or evolving consumer preferences and/or any decrease in the demand for our key product may adversely impact our business prospects and financial performance.

- 2. Substantial portion of our revenue has been dependent upon few customers with which we do not have any firm commitments. The loss of any one or more of our major customers would have a material adverse effect on our business, cash flows, results of operations and financial conditions.**

A considerable portion of our revenue is derived from a limited number of key customers, making our business partially dependent on their continued association. For the financial years ended March 31, 2025, 2024 and 2023, our top ten customers contributed 48.19%, 49.99% and 56.38% of our revenue from operations, respectively. Any decline in orders, delays, cancellations, inability to negotiate favorable terms, or the loss of a major customer could have a material adverse impact on our financial condition, operational performance and future growth prospects.

The contribution of our top ten customers in our sales as a percentage of the revenue from operations during Fiscal 2025 are disclosed hereunder: -

| Sr. No. | Customers        | Amount (Rs. in Lakhs) | % of Revenue |
|---------|------------------|-----------------------|--------------|
| 1       | Top 3 Customers  | 608.18                | 26.64%       |
| 2       | Top 5 Customers  | 795.63                | 34.85%       |
| 3       | Top 10 Customers | 1099.83               | 48.19%       |

*As certified by M/s Y M S & Co LLP, Chartered accountant, Statutory auditor of our company, by way of their certificate dated July 17, 2025.*

We do not have firm commitment in the form of long-term supply agreements with our customers and instead rely on purchase orders and accordingly the success of our business is significantly dependent on maintaining good relationship with them. The loss of one or more of these significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows.

Further, there is no guarantee that we will retain the business of our existing key customers or maintain the current level of business with each of these customers. In order to retain some of our existing customers, we may also be required to offer terms to such customers which may place restraints on our resources. Additionally, our revenues may be adversely affected if there is an adverse change in any of our customers' supply chain strategies or a reduction in their outsourcing of products we offer, or if our customers decide to choose our competitors over us or if there is a significant reduction in the volume of our business with such customers.

We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future. Further, the sales volume may vary due to our customers attempts to manage their inventory, market demand, product and supply pricing trends, change in customer preferences etc., which may result in decrease in demand or lack of commercial success of our products, which could reduce our sales and adversely affect our business, cash flows, results of operations and financial condition.

In addition, we are exposed to payment delays and/or defaults by our major customers and our financial position and financial performance are dependent on the creditworthiness of our customers. There is no guarantee that all or any of our customers will honor their outstanding amounts in time and whether they will be able to fulfill their obligations, due to any

financial difficulties, cash flow difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur from all or any of our major customer, our financial performance and our operating cash flows may be adversely affected.

- 3. *Our Company does not have long-term agreements with suppliers for our input materials and a significant increase in the cost of, or a shortfall in the availability, or deterioration in the quality, of such input materials could have an adverse effect on our business and results of operations.***

The manufacturing of our products i.e. Masterbatches relies on raw materials sourced from various suppliers. Major raw materials include Pigments (Carbon black, Titanium Dioxide), Polymers, Plastic raw material (Polyethylene (PE)/Polypropylene (PP), (EVA) Ethylene Vinyl Acetate, (PET) Polyethylene Terephthalate, LLDPE, LDPE) and additives, which are sourced from various vendors located primarily in Maharashtra. Our cost of raw materials consumed for the Fiscal 2025, 2024 and 2023 was Rs. 1042.91 lakhs, Rs. 1288.29 lakhs and 1140.97 lakhs respectively, which represented 45.70%, 58.73% and 53.87% of our revenue from operations for the respective period/fiscal.

We do not have any contracts with, or long-term arrangements for sourcing input materials from our suppliers. The absence of long-term contracts makes us susceptible inter alia to short-term supply challenges and exposes us to volatility in the prices of input materials. During the Fiscal 2025, Fiscal 2024 and Fiscal 2023 our purchase from top 10 suppliers were 689.24 Lakhs, Rs. 965.23 Lakhs and Rs. 763.84 Lakhs constituting 65.76%, 75.42% and 64.79% respectively of our total purchases. For details in relation to our raw materials, please refer to section “Our Business – Raw Materials” on page 119 of this RHP.

**Our top 10 suppliers for fiscal 2025: -**

| S. No | Name of Suppliers | Amount (in Lakhs) | % of purchase |
|-------|-------------------|-------------------|---------------|
| 1     | Top 3 Suppliers   | 422.35            | 40.30%        |
| 2     | Top 5 Suppliers   | 517.33            | 49.36%        |
| 3     | Top 10 Suppliers  | 689.24            | 65.76%        |

*As certified by M/s Y M S & Co LLP, Chartered accountant, Statutory auditor of our company, by way of their certificate dated July 17, 2025.*

Further, discontinuation of such supply or a failure of these suppliers to adhere to the delivery schedule or the required quality could hamper our production schedule and therefore affect our business and results of operations. There can be no assurance that demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers and we cannot procure the raw materials from other sources, we would be unable to meet our production schedules for our key products and to deliver such products to our customers in a timely manner, which would adversely affect our sales, margins and customer relations. Any delay in the supply or delivery of raw materials to us by our suppliers in may in turn delay our process of manufacture and delivery of products to our customers and this may have an adverse effect on our business, cash flows and results of operations. Additionally, our inability to predict market conditions may result in us placing supply orders for inadequate quantities of such raw materials. Therefore, we cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them and on commercially acceptable terms.

The prices of the raw materials can be influenced by various factors such as supply and demand dynamics, global market conditions, trade policies, transportation costs, indirect taxes and import duties, tariffs and currency exchange rate. In case of increase in raw material prices, there can be no assurance that we will be able to pass such cost increases to our customers. Any increase in the cost of inputs to our production could lead to higher costs for our products. If we increase the prices of our products to offset the impact of higher costs, this may cause certain of our customers to cancel orders or refrain from purchasing our products, which may materially and adversely reduce the demand for our products and thus, negatively impact our operating results. If we are unable to pass on cost increases to our customers or are unsuccessful in managing the effects of raw material price fluctuations, our business, financial condition, results of operations and cash flows could be materially and adversely affected.

- 4. *There are outstanding legal proceedings involving our Company and our Directors. Any adverse decisions could impact our cash flows and profit or loss to the extent of demand amount, interest and penalty, divert management time and attention and have an adverse effect on our business, prospects, results of operations and financial condition.***



There are outstanding legal proceedings involving our Company and Directors. For details, see “**Outstanding Litigation and Material Developments**” beginning on page 220 of this Red Herring Prospectus.

**Litigations involving the Company:**

(₹ in lakhs)

| Nature of Cases                                       | No. of Outstanding Cases | Amount in dispute/demanded to the extent ascertainable |
|-------------------------------------------------------|--------------------------|--------------------------------------------------------|
| Criminal proceedings filed by the Company             | Nil                      | Nil                                                    |
| <b>Tax proceedings:</b>                               |                          |                                                        |
| Direct Tax                                            | 1                        | ₹2.86                                                  |
| Indirect Tax                                          | 1                        | ₹8.26                                                  |
| Other pending material litigation against the Company | Nil                      | Nil                                                    |
| <b>Total</b>                                          | <b>2</b>                 | <b>₹11.12</b>                                          |

**Litigations involving our Directors:**

(₹ in lakhs)

| Nature of Cases                                                 | No. of Outstanding Cases | Amount in dispute/demanded to the extent ascertainable |
|-----------------------------------------------------------------|--------------------------|--------------------------------------------------------|
| Criminal proceedings involving the Directors                    | Nil                      | Nil                                                    |
| <b>Tax proceedings:</b>                                         |                          |                                                        |
| Direct Tax                                                      | Nil                      | Nil                                                    |
| Indirect Tax                                                    | Nil                      | Nil                                                    |
| <b>Other Material Pending Litigation involving Directors:</b>   |                          |                                                        |
| Filed against Directors                                         | Nil                      | Nil                                                    |
| Filed by Directors<br>- Jyoti Abhay Jain (Independent Director) | 1                        | ₹16.69                                                 |
| <b>Total</b>                                                    | <b>1</b>                 | <b>₹16.69</b>                                          |

*Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Red Herring Prospectus. For further details, please refer to the chapter titled “**Outstanding Litigations and Material Developments**” on page 220 of this Red Herring Prospectus.*

Any adverse decisions in the above cases could impact our cashflows and profit or loss to the extent of demand amount, interest and penalty, divert management time and attention and have an adverse effect on our business, prospects, results of operations and financial condition.

**5. We are subject to strict quality requirements and any failure to comply with quality standards may lead to cancellation of existing and future orders, product recalls, product liability, warranty claims and other disputes and claims.**

All our products and manufacturing processes are subject to stringent quality standards and specifications. Any failure on our part to maintain the applicable standards and manufacture products according to prescribed specifications, may lead to loss of reputation and goodwill of our Company, cancellation of orders and even lead to loss of customers. Our customers may reject our products, cancel their orders or choose our competitors over us if we fail to perform our contractual obligations or meet the quality or performance standards set out with our customers, which may in-turn harm our reputation. Failure by us to comply with applicable quality standards could also result in our products failing to perform as expected, or alleged to result in property damage if our products are defective or are used incorrectly by our customers. The occurrence of any such events could expose us to product warranty, product recall or product liability claims.

We may also be required to indemnify customers against losses occurring as a result of defective products and reimburse our customers for administrative, labour, material and other such costs. We may also become subject to legal proceedings and commercial or contractual disputes. Potential product recalls could cause disruption to our business and result in reputational harm and the costs and expenses associated with warranties, product recalls and product liability claims could adversely affect our results of operations and financial condition. If we incur significant liabilities for which there is no or insufficient insurance coverage our business, financial condition and results of operations could be adversely affected. However, while during the last three financial years, we have not experienced any instances of product recalls, warranty

claims, or significant customer disputes arising from product defects, quality deficiencies, or non-compliance with prescribed standards, we cannot assure you that we shall not experience any such instances in the future.

**6. *We do not own the existing manufacturing facilities, godown, sales depot and registered office from where we carry out our business activities. In case of non-renewal of lease agreements or dispute in relation to use of the said premise, our business and results of operations can be adversely affected.***

Our existing manufacturing facilities (Unit-I and Unit-II), located at Tungareshwar Industrial Estate, Sativali, Vasai East, Palghar and Registered office located at Malad West, Mumbai are owned by our Promoters, Promoter group members and Directors, namely, Mehul Pravinchandra Joshi, Bhakti Mehul Joshi, Pravinchnadra Girdharlal Joshi and Usha Pravinchandra Joshi and has been obtained by us on lease basis. In addition, the Godown at Palghar and sales Depot at Daman has been taken by us on rent from third parties. For details on the duration of existing rent/lease agreements for our premises, please refer to section “Our Business - Immovable Properties” on page 121 of this RHP. In the event of termination/non-renewal of said agreements, we may be required to vacate the said premises which may cause disruption in our inventory management, corporate affairs and business and impede our effective operations which could lead temporarily impact our business operations until we get suitable alternative premises.

There can be no assurance that we will, in the future, be able to renew the agreements for the existing locations on same or similar terms, or will be able to find alternate locations for the offices on similar terms favorable to us, or at all. We may also fail to negotiate the renewal of our rent agreements for our premises, either on commercially acceptable terms or at all, which could result in increased rental rates for subsequent renewals or searching of new premises, affecting our financial condition and operations. In the event that the rent agreement is terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our manufacturing operations which could materially and adversely affect our business, financial condition and results of operations. During the last three financial years we have not faced any termination or non-renewal of lease agreements that have materially disrupted our manufacturing operations or business activities; however, we cannot assure you that we shall not experience any such instances in the future.

**7. *Setting up of a new manufacturing facility requires substantial capital outlay before we realize any benefits or returns on investments and is subject to the risk of unanticipated delays.***

We currently manufacture masterbatches from our existing production facilities (Unit-I and Unit II) located at Unit No. 29 to Unit No. 32 Tungareshwar Industrial Estate, Sativali, Vasai East, Palghar, Maharashtra and Unit No. 12 to Unit No. 15, Tungareshwar Industrial Estate, Sativali, Vasai East, Palghar. To drive revenue growth, expand production capabilities and capitalize on market opportunities, we plan to establish a new manufacturing facility at Taluka Vasai, District Palghar. For further details, please refer to chapter titled “Objects of the Issue - Funding of capital expenditure towards setup of new manufacturing facility” on page 81 of this RHP.

We expect our long-term capital requirements to increase significantly to fund our intended growth and we cannot assure that we shall efficiently be able to obtain sufficient capital resources for these expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any downgrade in our credit ratings could increase our borrowing costs and adversely affect our access to capital. Further, in case we decide to raise additional funds through the issuance of equity or equity-linked instruments, the interests of our shareholders may be diluted. Further, if we decide to meet our capital requirements through debt financing, our interest obligations shall increase and we may be subject to additional restrictive covenants under our respective financing arrangements. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations and financial condition could be adversely affected. Additionally, on account of such expansion, our finance cost, depreciation and other related expenses shall increase in the near future which can adversely impact our results of operations, cash flows and financial condition.

Our expansion plans remain subject to the potential problems and uncertainties that construction projects face including cost overruns or delays, labour shortages, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facilities, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, incremental pre-operating expenses, environment and ecology costs and other external factors which may not be within the control of our management. There can be no assurance that our budgeted costs may be sufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows and prospects.

The proposed expansion will require us to obtain various statutory approvals or amend existing statutory approvals, including consent to establish, consent to operate, factory license etc. There can be no assurance that we will be able to obtain these registrations and approvals including approvals in relations to power and water procurement in a timely manner or at all, which in turn may materially and adversely affect our growth prospects, financial condition, results of operations and cash flows.

Our expansion plans and business growth could also strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to attract, expand, train, motivate, retain and manage our workforce. We cannot assure you that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. Any of these factors may cause us to delay, modify or forego some or all aspects of our expansion plans.

Our return on our investment depends upon, among other things, successful implementation of our strategy, competition, demand of our products, government policies, interest rates and general economic conditions. If our return on investment does not meet our or market expectations, this could materially and adversely affect our business, cash flows, results of operations and financial condition.

**8. *Any disruptions or shutdown of our manufacturing operations at our existing facilities could have an adverse effect on our business, financial condition and results of operations.***

We conduct our operations through two of our manufacturing facilities situated at Palghar District in Maharashtra. Our business is dependent upon our ability to effectively manage our facility, which is subject to various operating risks, including those beyond our control, such as the machinery breakdown, failure of equipment or industrial accidents, labour disputes, severe weather conditions, fire, power interruption, natural disasters etc. While there have been no such instances during the Fiscals 2025, 2024 and 2023, any significant malfunction or breakdown of our machinery, our equipment, our production setup, our IT systems or any other part of our manufacturing processes or systems may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair or properly maintain manufacturing assets in a timely manner or at all, our operations may need to be suspended until we repair or replace them and there can be no assurance that the new manufacturing assets will be repaired, procured and/or integrated in a timely manner.

We also require substantial electricity for our facilities which is sourced from state electricity board. In case, the supply is not available for any reason, our production schedule may be hampered or if our electricity suppliers increase the price for electricity, our cost of production and profitability would be materially adversely affected. Further, natural disasters or adverse conditions may occur in the geographical areas in which we operate including severe weather, tropical storms, floods, excessive rainfalls as well as other events beyond our control. If for any reason electricity is not available, we may need to shut down our plants until an adequate supply of electricity is restored. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress. While there have been no significant electricity disruptions during the Fiscals 2025, 2024 and 2023, however, we cannot assure you that there will not be any electricity disruption in the future.

Our customers rely significantly on the timely delivery of our products and our ability to provide an uninterrupted and timely supply of our products is critical to our business. While we seek to ensure a continuous supply of our products to our customers, our customer relationships, business and financial results may be adversely affected by any disruption of operations at our manufacturing facility due to any of the factors mentioned above.

**9. *Under-utilization of our manufacturing capacities may have an adverse effect on our business, future prospects and future financial performance. Moreover, information relating to capacity utilization of our production facility included in this Red Herring Prospectus is based on certain assumptions and has been subjected to rounding off and future production and capacity utilization may vary.***

Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing facilities as well as on the market demand of the products sold by us. Among others, the capacity utilization also depends upon the availability of raw materials, labour, industry/ market conditions and procurement practice followed by our customers. During the Fiscals 2025, 2024 and 2023, our overall capacity utilization is detailed below: -

Unit-I (29-32 Tungareshwar Industrial Estate, Sativali, Vasai East, Palghar - 401208)

| Particulars                | F.Y. 2022-23 | F.Y. 2023-24 | F.Y. 2024-25 |
|----------------------------|--------------|--------------|--------------|
| Installed Capacity (In Kg) | 1056000      | 1056000      | 1056000      |
| Actual Production (In Kg)  | 877143       | 891395       | 903365       |
| Capacity Utilization (%)   | 83.06%       | 84.41%       | 85.55%       |

*As certified by Mr. Karan Rajendra Mody, Chartered Engineer, through certificate dated July 15, 2025*

Unit-II (12-15 Tungareshwar Industrial Estate, Sativali, Vasai East, Palghar - 401208)

| Particulars                | F.Y. 2022-23 | F.Y. 2023-24 | F.Y. 2024-25 |
|----------------------------|--------------|--------------|--------------|
| Installed Capacity (In Kg) | 228000       | 228000       | 228000       |
| Actual Production (In Kg)  | 178713       | 198508       | 205674       |
| Capacity Utilization (%)   | 78.38%       | 87.06%       | 90.21%       |

*As certified by Mr. Karan Rajendra Mody, Chartered Engineer, through certificate dated July 15, 2025*

Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing facility, the availability of raw materials, industry/ market conditions, product demand and procurement practice followed by our customers. In the event we face prolonged disruptions at our facility including due to interruptions in the supply of power or as a result of labour unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing facility, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition. However, during the last three financial years, we have not experienced any significant disruptions at our manufacturing facility that have materially impacted our capacity utilization; however, we cannot assure you that we shall not experience any such instances in the future.

**10. Our business operations are majorly concentrated in certain geographical regions and any adverse developments affecting our operations in these regions could have a significant impact on our revenue and results of operations.**

Our Company operates its manufacturing facilities located at Palghar, Maharashtra. For details, please refer to section “Our Business – Properties” on page 118 of this RHP. Due to the geographical concentration of our manufacturing operations in Palghar district, our operations are susceptible to local, regional and environmental factors, such as social and civil unrest, regional conflicts, civil disturbances, economic and weather conditions, natural disasters, demographic and population changes and other unforeseen events and circumstances. Such disruptions could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in the transport of our products and raw materials, loss of key managerial personnel or senior management personnel and/or otherwise adversely affect our business, financial condition and results of operations. While there have been no such regional disruptions during the, Fiscals 2025, 2024 and 2023, however, we cannot assure you that there will not be any such disruption in the future.

In addition, we generate major domestic sales through our customers situated in Maharashtra, Darda & Nagar Haveli and Gujarat. Such geographical concentration of our business in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions, which may adversely affect our business prospects, financial conditions and results of operations.

The following table sets forth the bifurcation of revenue (geography-wise) for the fiscal years 2025, 2024 and 2023.

| (Rs. in Lakhs)       |                             |              |                             |              |                             |              |
|----------------------|-----------------------------|--------------|-----------------------------|--------------|-----------------------------|--------------|
| Particulars          | F.Y. ended 31st March, 2025 | % of revenue | F.Y. ended 31st March, 2024 | % of revenue | F.Y. ended 31st March, 2023 | % of revenue |
| <b>In India</b>      |                             |              |                             |              |                             |              |
| Andhra Pradesh       | 10.79                       | 0.47%        | 0.27                        | 0.01%        | -                           | -            |
| Chhattisgarh         | 2.72                        | 0.12%        | 0.06                        | 0.00%        | -                           | 0.00%        |
| Dadra & Nagar Haveli | 443.01                      | 19.41%       | 385.11                      | 17.56%       | 529.59                      | 25.00%       |

|                        |                 |                |                 |                |                 |                |
|------------------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| Delhi                  | 0.01            | 0.00%          | 0.06            | 0.00%          | 0.08            | 0.00%          |
| Goa                    | 2.09            | 0.09%          | 1.13            | 0.05%          | 2.08            | 0.10%          |
| Gujarat                | 343.77          | 15.06%         | 426.63          | 19.45%         | 553.32          | 26.13%         |
| Haryana                | 1.68            | 0.07%          | 0.4             | 0.02%          | -               | -              |
| Himachal Pradesh       | 1.85            | 0.08%          | 7.41            | 0.34%          | 4.5             | 0.21%          |
| Jammu & Kashmir        | -               | -              | -               | -              | 0.3             | 0.01%          |
| Karnataka              | 13.18           | 0.58%          | 10.17           | 0.46%          | 17.26           | 0.81%          |
| Kerala                 | 277.96          | 12.18%         | 290.11          | 13.23%         | 333.67          | 15.75%         |
| Madhya Pradesh         | 30.68           | 1.34%          | 31.6            | 1.44%          | 30.05           | 1.42%          |
| Maharashtra            | 883.81          | 38.73%         | 609.96          | 27.81%         | 470.19          | 22.20%         |
| Odisha                 | -               | -              | 0.01            | 0.00%          | -               | -              |
| Punjab                 | 1.19            | 0.05%          | 0.28            | 0.01%          | 0.27            | 0.01%          |
| Rajasthan              | 20.77           | 0.91%          | 3.89            | 0.18%          | 6.31            | 0.30%          |
| Tamil Nadu             | 35.60           | 1.56%          | 47.88           | 2.18%          | 46.89           | 2.21%          |
| Telangana              | 0.77            | 0.03%          | 1.4             | 0.06%          | 6               | 0.28%          |
| Uttarakhand            | 54.51           | 2.39%          | 40.12           | 1.83%          | 39.47           | 1.86%          |
| Uttar Pradesh          | 2.02            | 0.09%          | 1.62            | 0.07%          | 0.33            | 0.02%          |
| West Bengal            | -               | -              | 0.34            | 0.02%          | -               | -              |
| <b>Total (A)</b>       | <b>2,126.42</b> | <b>93.17%</b>  | <b>1,858.46</b> | <b>84.72%</b>  | <b>2,040.30</b> | <b>96.34%</b>  |
| <b>Other Countries</b> |                 |                |                 |                |                 |                |
| Canada                 | 68.92           | 3.02%          | 120.89          | 5.51%          | 40.78           | 1.93%          |
| Chad                   | -               | -              | 57.77           | 2.63%          | -               | -              |
| Jordan                 | 21.39           | 0.94%          | 9.3             | 0.42%          | 8.6             | 0.41%          |
| Nepal                  | -               | -              | -               | -              | -               | -              |
| Oman                   | -               | -              | 0.05            | 0.00%          | -               | -              |
| Peru                   | 0.01            | 0.00%          | -               | -              | -               | -              |
| Qatar                  | 42.21           | 1.85%          | 81.8            | 3.73%          | 3.17            | 0.15%          |
| Saudi Arabia           | -               | -              | -               | -              | 4.84            | 0.23%          |
| Thailand               | 23.26           | 1.02%          | 65.38           | 2.98%          | 20.22           | 0.95%          |
|                        |                 |                |                 |                |                 |                |
| <b>Total (B)</b>       | <b>155.79</b>   | <b>6.83%</b>   | <b>335.18</b>   | <b>15.28%</b>  | <b>77.62</b>    | <b>3.66%</b>   |
| <b>TOTAL (A+B)</b>     | <b>2,282.20</b> | <b>100.00%</b> | <b>2,193.64</b> | <b>100.00%</b> | <b>2,117.92</b> | <b>100.00%</b> |

As certified by M/s Y M S & Co LLP, Chartered accountant, Statutory auditor of our company, by way of their certificate dated July 17, 2025.

Further, as we enter into new markets and geographical areas, we are likely to compete with not only national players, but also the local players, who might have an established local presence and are more familiar with local business practices and have stronger relationships with local customers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into other areas may adversely affect our business prospects, financial conditions and results of operations. While our management believes that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we face and should not rely on our results of operations for any prior periods as an indication of our future performance.

**11. We require certain approvals, licenses, registrations and permits to operate our business and failure to obtain or renew them in a timely manner or maintain the statutory and regulatory permits and approvals required to operate our business may adversely affect our operations and financial conditions.**

We require certain statutory and regulatory permits, licenses and approvals to operate our business. As mentioned in the chapter titled “**Government and Other Approvals**”, we believe that we have obtained requisite permits and licenses which are adequate to run our business, however we cannot assure that there is no other statutory/regulatory requirement which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal

from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

We've recently made an application dated December 09, 2024 with the Trademarks Registry for our logo which is pending for approval. For details regarding pending approvals, please refer to section titled "**Government and Other Approvals – Applications yet to be apply**" beginning on page 231 of the Red Herring Prospectus. Also, our Company will be required to make application for change in name in all the permits, licenses and approvals, which are under Company's former name. There can be no assurance that the relevant authorities will issue the approvals or licenses in a timely manner, or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

We obtained the Shop and Establishment registration for our Daman depot in January 2025, although operations at the said location had commenced earlier in 2023. The delay in obtaining this statutory registration may be viewed as a non-compliance under applicable laws and could potentially expose us to regulatory penalties.

We cannot assure you that the approvals, licenses, registrations and permits already issued to us will not be suspended or revoked in the event of non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any denial, suspension or revocation of the approvals, licenses, registrations and permits that has been or may be issued to us may affect our business and results of operations. For further details regarding the material approvals, licenses, registrations and permits, which have not been obtained by our Company or are, pending to be obtained, see "**Government and Other Approvals**" on page 223 of this Red Herring Prospectus.

***12. Our inability to effectively manage risks associated with international sales could significantly impact our overall profitability. These risks include potential losses in foreign markets, disruptions to operations and challenges arising from international trade complexities.***

During Fiscal 2025, Fiscal 2024 and Fiscal 2023, we have exported our products to various countries such as Canada, Chad, Jordan, Oman, Qatar, Saudi Arabia, Thailand and UAE and payment for these sales is received in foreign currency. For the FY 2024-25, 2023-24 and 2022-23, the exports accounted for approximately Rs.155.79 lakhs, Rs. 335.18 lakhs and Rs. 77.62 lakhs respectively, which constituted 6.83%, 15.28% and 3.66% of our revenue from operations for the respective fiscal/period. Our export revenue demonstrates exposure to the certain export related risks as outlined below: -

- demand for our products by our customers located outside India;
- social, economic, political, geopolitical conditions and adverse weather conditions, such as natural disasters, civil disturbance, terrorist attacks, war or other military action would affect our business and operations and may also prevent us from production or delivery of our products to our customers;
- environmental, health, safety, labor and accounting laws change in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies, may affect our ability to both operate and the way in which we manage our business in the countries in which we operate;
- fluctuations in foreign currency exchange rates against the Indian Rupee, may affect our results of operations, the value of our foreign assets, such as export receivables, the relative prices at which we and our competitors sell products in the same markets and the cost of certain inventory and non-inventory items required for our operations. For instance, fluctuation of the Pound Sterling, Euro and U.S. Dollar would have an impact on the export revenues and profits of our operations;
- anti-competitive behavior, money laundering, bribery and corruption by third parties as well as crime and fraud; and
- inability to effectively enforce contractual or legal rights and adverse tax consequences; differing accounting standards and interpretations.

In addition, we may not perform as expected in our international markets, because our competitors and the established players in these markets may have a more established presence and have more experience in operating in such market, which could allow them to have better relationships with distributors and consumers, gain early access to information regarding attractive sales opportunities and, in general, be better placed to launch products with other advantages of being

a first mover. Any of these factors could adversely impact our ability to compete effectively in international markets, disrupt our operations, reduce our export revenues and ultimately affect our overall profitability and financial condition.

**13. There have been instances of delays and non-deposit of certain statutory dues, including ESIC, PF and Professional Tax. Any cognizance being taken by respective authorities or future delays or non-compliance in payment of statutory obligations may result in penalties, interest liabilities, or regulatory actions, which could adversely impact our business, financial condition, results of operations and cash flows.**

Our Company is required to pay certain statutory dues including employee provident fund contributions and employee state insurance contributions under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees' State Insurance Act, 1948, respectively, GST and Professional Taxes. In compliance with the provisions of the Income-tax Act, we are also required to deduct taxes at source at prescribed rates.

There have been certain instances of delays in payment of statutory dues in the past by our Company, which have been belatedly paid by us with an additional fee or an interest. The details of such delays are set out below:

**GST Returns Delay Filings:**

| Financial Year | Month     | Number of Days Delay |
|----------------|-----------|----------------------|
| 2024-25        | June-2024 | 10 Days              |

**EPF Returns:**

| Financial Year | Month      | Number of Days Delay |
|----------------|------------|----------------------|
| 2022-23        | April-2022 | 15 Days              |
|                | May-2022   | 1 Day                |
|                | July-2022  | 1 Day                |
| 2023-24        | Nov-2023   | 7 Days               |

**ESI Returns:**

| Financial Year | Month      | Number of Days Delay |
|----------------|------------|----------------------|
| 2022-23        | April-2022 | 15 Days              |
|                | May-2022   | 1 Day                |
|                | July-2022  | 1 Day                |
| 2023-24        | Nov-2023   | 3 Days               |
|                | Jan-2024   | 5 Days               |

In addition, our Company has obtained Professional tax registration on February 12, 2025 and the Company has deposited professional tax with interest & late fees for F.Y. 2022-23, 2023-24 and 2024-25 as per below table: -

(Amt. in Rs.)

| Sr. No. | Financial Year     | Amount          | Interest      | Late Fees     | Total Amount    |
|---------|--------------------|-----------------|---------------|---------------|-----------------|
| 1       | 2022-23            | 52,225          | 15,319        | 1,000         | 68,544          |
| 2       | 2023-24            | 55,800          | 7,859         | 1,000         | 64,659          |
| 3       | 2024-25            | 72,825          | 4,401         | 11,000        | 88,226          |
|         | <b>Grand Total</b> | <b>1,80,850</b> | <b>27,579</b> | <b>13,000</b> | <b>2,21,429</b> |

While the Company has taken corrective measures, any penalties or regulatory actions related to this past non-compliance may have an adverse impact on our financial position and reputation.

While our Company has subsequently made payment of all pending dues, we cannot assure you that there will not be any delays in the future. Any delay in payment of statutory dues in future, may result in the imposition of penalties and in turn may have an adverse effect on our business, financial condition, results of operation and cash flows.

**14. We intend to utilize a portion of the Net Proceeds for funding our capital expenditure requirements. While we have shortlisted vendors and obtained quotations from them, we are yet to place orders or enter into definitive agreements with the vendors in relation to such capital expenditure requirements.**

We intend to utilize up to ₹ 1463.48 lakhs out of the Net Proceeds for funding capital expenditure requirements for the proposed expansion of new manufacturing unit at Survey No. 38/2 situated at village Majivali, Taluka Vasai, District Palghar, Maharashtra. Out of ₹ 1463.48 lakhs earmarked for funding capital expenditure requirements for the proposed



facility, civil construction work ₹ 760.56 lakhs, plant and machinery amounts to ₹ 702.92 lakhs

In respect of the civil construction work and plant and machinery, although we have obtained quotations from various vendors in relation to the aforesaid objects, we have not yet placed orders. The quotations obtained are valid for a specified period and may be subject to revisions based on commercial and technical considerations. Accordingly, orders worth ₹ 1463.48 lakhs related to civil construction, plant and machinery are yet to be placed.

Further, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things unforeseen delays or cost overruns, unanticipated expenses, regulatory changes and technological changes. There may also be possibility that the proposed sellers of the plant, machinery and equipment's may not be in a position to provide the equipment/machineries or execute the civil building and construction work in a timely manner. In the event of any delay in placing the purchase orders or an escalation in the cost of acquisition of the assets or in the event the sellers are not able to provide the equipment and services in a timely manner, we may encounter time and cost overruns. For details, please refer to section "Objects of the Issue – Funding of capital expenditure towards setup of a new manufacturing facility" on page 81 of this RHP.

***15. Inventories and trade receivables form a major part of our current assets. Failure to manage our inventory and trade receivables could have an adverse effect on our sales, profitability, cash flow and liquidity.***

Our Company's business is working capital intensive and hence, inventories and trade receivables form a major part of our current assets. The results of operations of our business are dependent on our ability to effectively manage our inventory and trade receivables. To effectively manage our inventory, we must be able to accurately estimate customer demand / potential orders and supply requirements and purchase new inventory accordingly. However, if we misjudge expected customer demand/ Potential orders, it could cause either a shortage of products or an accumulation of excess inventory. For the FY 2024-25, 2023-24 and 2022-23 our inventories were ₹ 208.16 lakhs, ₹ 183.91 lakhs and ₹ 145.63 lakhs respectively.

To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, if we fail to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. For the FY 2024-25, FY 2023-24 and 2022-23 our trade receivables were ₹ 554.95 lakhs, ₹ 338.69 lakhs and ₹ 356.61 lakhs respectively. We may be subject to working capital risks due to delays or defaults in payment by clients, which may restrict our ability to procure raw materials and make payments when due. In addition, any delay or failure on our part to supply the required quantity or quality of products, within the time stipulated by our agreements, to our customers may in turn cause delay in payment or refusal of payment by the customer. Such defaults/delays by our customers in meeting their payment obligations to us may have a material effect on our business, financial condition and results of operations. Such situation may require an additional and, consequently, higher finance cost which will adversely impact our profitability.

***16. We have been unable to trace some of our secretarial records including Annual Returns, forms filed for share allotments, director appointment forms, share transfer forms and other forms filed with ROC prior to FY 2005.***

We have been unable to trace certain corporate secretarial records, including Annual Returns, forms filed for share allotments, director appointment forms, share transfer forms, and other forms filed with ROC prior to FY 2005. Therefore, information in relation to the allotments and transfers made prior to 2005 has been disclosed in the section "Capital Structure" on page 67, in this Red Herring Prospectus, based on the available Minutes, share certificates and the limited information derived from the physical search report prepared by M/s. Nagdev & Associates, Practicing Company Secretaries, dated January 9, 2025.

The details of the secretarial forms for certain past allotments of Equity Shares made by our Company prior to Fiscal 2005 which could not be traced include allotment of (i) 65,000 Equity Shares of ₹10 each in dated April 01, 1996; (ii) 1,40,900 Equity Shares of ₹10 each in dated July 31, 1996; (iii) 34,100 Equity Shares of ₹10 each dated January 15, 1997; (iv) 10 equity shares of ₹10 each in dated December 31, 1997; and (v) 50,000 Equity shares of ₹10 each in dated July 10, 2001.

Further, our Company has registered certain share transfers dated December 31, 2001; April 1, 2008; and October 3, 2014, for which the corresponding share transfer forms are untraceable.

***17. We operate in a competitive industry and increased competition may lead to a reduction in our revenues, reduced profit margins or a loss of market share.***

The masterbatch and pigment industry, in which we operate, is highly competitive and fragmented, with numerous small and medium-sized domestic and international players. Some of our current and potential competitors include larger entities with longer operating histories, stronger brand recognition, greater ability to influence industry standards, access to larger customer bases and significantly greater financial, sales and marketing resources. Some of our significant competitors in the organized segment include Polylink Polymers (India) Ltd., Plastiblends India Ltd., Deep Polymers Limited and Poddar Pigments Ltd.

A number of our competitors are larger than we are and some competitors have greater financial and other resources than we do and other economic advantages as compared to our business, such as patents, existing underutilized capacity, lower labor costs, lower health care costs, lower tax rates and, in some cases, export or raw materials subsidies. In the auto components segment, our customers may change their outsourcing strategy due to various reasons. Among other things, our competitors may:

- have presence, or expand their presence, in higher number of geographic markets than we are present in;
- reduce, or offer discounts on, their prices for similar products as ours; while we may respond by matching their prices, by offering comparable or more attractive commercial terms or by increasing our advertising and promotions in order to retain or attract customers, it may increase our costs and limit our ability to maintain our operating margins or growth rate;
- target the same products or applications as us or develop different products that compete with our current solutions;
- attract or retain a key managerial or senior personnel with relationships with a key customer or confidential information regarding our future product pipeline and growth plans;
- be able to source raw materials at more competitive prices;
- harness better process technology or improved process yield and respond more quickly and effectively than we do to new or changing opportunities, applications, technologies, standards, or customer requirements;
- benefit from a wider range of products and services and a broader customer base needed to bring competitive solutions to the market;
- possess greater economies of scale if they are larger than us and operating efficiencies such as higher production capacities; or
- possess greater financial resources than we do and may be able to devote greater resources to pricing and promotional programs.

If any or a combination of the foregoing factors occur, we may not be able to maintain our growth rate and our revenues and operating margins may decline. We cannot assure you that we will continue to effectively compete with our competitors in the future and our inability to compete effectively could affect our ability to retain our existing customers or attract new customers, which may in turn materially and adversely affect our business, financial condition, results of operations and prospects.

***18. We are dependent upon the experience and skill of our Promoters, Key Managerial Personnel and Senior Management Personnel for conducting our business and undertaking our day to day operations. The loss of or our inability to retain, such persons could materially and adversely affect our business performance. In addition, excess rate of attrition amongst the personnel engaged by our Company may have an adverse impact on our business operations.***

Our business is dependent upon our Promoters, Key Managerial Personnel and Senior Management Personnel, who oversee and supervise our day-to-day operations, strategy and growth of our business. For details pertaining to the profile of our Directors, Key Management Personnel and Senior Management Personnel of our Company and their respective functions, please refer to chapter '***Our Management***' on page 137 of this Red Herring Prospectus.

In the event, any of our Promoters or one or more members of our Key Managerial Personnel and Senior Management Personnel are unable or unwilling to continue in their present positions, it would be challenging for us to replace such person in a timely and cost-effective manner or at all. There can be no assurance that we will be able to retain or replace these personnel. The loss of any of such personnel or our inability to replace them may restrict our growth prospects, affect our ability to make strategic decisions and to manage the overall running of our operations, which would have a material adverse impact on our business, results of operations, financial position and cash flows.

Our Company has generally maintained a low attrition rate, with 0% attrition recorded in FY 2023-24 and FY 2024-25. However, in FY 2022-23, the attrition rate was 12.77%, indicating a temporary increase in employee turnover. Any future rise in attrition, particularly among key personnel and skilled workforce, could impact our operations, productivity and overall business performance. Additionally, challenges in hiring and retaining qualified employees may result in higher recruitment and training costs, which could adversely affect our financial condition and growth prospects.

The following table outlines the attrition rate of employees for the specified periods:

| Particulars     | F.Y. 2022-23 | F.Y. 2023-24 | F.Y. 2024-25 |
|-----------------|--------------|--------------|--------------|
| Attrition rate* | 12.77%       | 0%           | 0%           |

\* Calculated as the number of employees who left during the period divided by the average of the opening and closing number of employees for the respective financial year/period.

**19. If we are unable to manage our growth effectively and further expand into new markets our business, future financial performance and results of operations could be materially and adversely affected.**

The success of our business will depend on our ability to effectively implement our business and growth strategy. As part of our growth strategy, we aim to, among other things, continue to grow our businesses as and when opportunities exist including by Continuing to strengthen our existing product portfolio with attractive growth and profitability prospects, to strive for cost efficiency, attracting and retaining talented employees and focusing on consistently meeting quality standards. As we continue to grow our business and expand into newer markets, we may face several challenges, including as set forth below:

- acquiring new customers;
- identifying customer requirements and preferences in such markets;
- obtaining approvals and certifications for our products in such jurisdictions;
- making accurate assessments of the resources we will require;
- preserving a uniform culture, values and work environment;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, internal control and other internal systems;
- recruiting, training and retaining sufficient skilled management, technical and marketing personnel;
- maintaining high levels of customer satisfaction; and
- adhering to expected performance and quality standards.

In pursuing our growth strategy, we will require additional capital investments and cash outlays, which may have a material impact on our cash flows and results of operations. Our operating expenses and capital requirements may increase significantly pursuant to our expansion plans. Our ability to manage our growth effectively requires us to forecast accurately our sales, growth and manufacturing capacity and to expend funds to improve our operational, financial and management controls, reporting systems and procedures. An inability to implement our future business plan, manage our growth effectively, further expand into new markets or failure to secure the required funding on favorable terms or at all could have a material and adverse effect on our business, future financial performance and results of operations.

**20. The cost of implementing new technologies for our operations could be significant and could adversely affect our business, financial condition and results of operations.**

Our future success may depend in part on our ability to respond to technological advances and emerging standards and practices on a cost effective and timely basis. We cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to the technology, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our products less competitive or attractive. In addition, rapid and frequent technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures or write-down of assets. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs (in comparison to our competitors who are able to successfully implement such technologies) and lead to us being less competitive in terms of our prices or quality of services we provide. Further, implementation of new or upgraded technology may not be cost effective, which may adversely affect our profitability. Any of the above events may adversely affect our business, financial condition, results of operations and prospects.

**21. Changes in technology may render our current technologies obsolete or require us to make substantial investments.**

Modernization and technology up gradation is essential to reduce costs and increase the output. Our technology and machineries may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we have installed updated technology, we shall continue to strive to keep our technology, plant and machinery in line with the latest technological standards. In case of a new found technology in the masterbatches industry, we may be required to implement new technology or upgrade the machineries and other equipment's employed by us. Further, the costs in upgrading our technology and modernizing the plant and machineries are significant which could substantially affect our finances and operations.

However, during the last three financial years we have not encountered any instances where outdated technology or lack of modernization has materially disrupted our operations or impacted our financial condition; however, we cannot assure you that we shall not experience any such instances in the future.

***22. Our Company is in use of trademark, which is not registered under the Trademarks Act, 1999 as on date of Red Herring Prospectus. Thus, we may be subject to claims alleging breach of third party intellectual property rights.***



Our Company has applied for registration of trademark, wordmark and logo under class 1 and 17 with the Registrar of Trademarks, which has not been registered yet. Thus, as such, we do not enjoy the statutory protections accorded to a registered trademark as on date. There can be no assurance that we will be able to register the said trademark, wordmark and the logo in future or that, third parties who have filed objection will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. 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. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property. For further details on above and other trademarks, please refer to chapter titled “Our Business – Intellectual properties” beginning on page 121 of this Red Herring Prospectus.

***23. Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business***

Our operations are subject to risks inherent in manufacturing facilities such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. Our significant insurance policies consist of, among others, insurance policy of Building, Plant and Machinery Furniture and Fixtures, Fitting and other Equipment's and Stock Insurance (New India Bharat Sookshma Udyam Suraksha Policy), Workmen Compensation Policy (from ICICI Lombard) and Keyman Insurance (LIC Unit Linked Plan). For further details, please refer to section “Our Business – Insurance” on page 122 of this RHP. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks such as machinery breakdown, goods in transit and product liability insurance. Failure to effectively cover ourselves against the associated risks may potentially lead to material losses. There can be no assurance that our insurance policies will be adequate to cover the losses/ damages suffered or that such insurance coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. If we suffer a significant uninsured loss or if insurance claim in respect of the subject matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

***24. We are dependent on third party transportation providers for the delivery of our raw material and products. Accordingly, continuing increases in transportation costs or unavailability of transportation services may have an adverse effect on our business, financial condition, results of operations and prospects.***

We do not maintain an in-house transportation facility and depend on third-party transportation and logistics services at every stage of our business activities, including procurement from suppliers and delivering finished products to customers. While we engage transportation companies as needed, we have not established definitive agreements with any third-party transport service providers.

The transportation solutions available in the markets where we operate are typically fragmented and the cost incurred for goods transported by third-party carriers often exceeds the contracted transportation fees. Consequently, recovering compensation for damaged, delayed, or lost goods can be challenging. Recent instances, such as transportation vehicles being on strike due to fuel price increases, resulted in delays and potential disruptions in handling and procurement

processes, which could have led to possible damage to products in transit. However, we have not experienced any such instances of disruption or delay in Fiscal 2025, Fiscal 2024 and Fiscal 2023.

**25. Our operations are subject to high working capital requirements. Our inability to maintain an optimal level of working capital required for our business may impact our operations adversely.**

Our business requires significant amount of working capital and major portion of our working capital is utilized towards trade receivables, inventories and payment to creditors. The working capital requirements of our Company (based on restated financial statements) is as under: -

|                                                       | (Rs. in lakhs)     |                    |                    |
|-------------------------------------------------------|--------------------|--------------------|--------------------|
| <b>Particulars</b>                                    | <b>Fiscal 2025</b> | <b>Fiscal 2024</b> | <b>Fiscal 2023</b> |
| Current Assets (excluding cash and cash equivalents)  | 814.55             | 558.60             | 526.89             |
| Current Liabilities (excluding short term borrowings) | 154.72             | 164.34             | 218.13             |
| Working Capital                                       | 659.83             | 394.26             | 308.76             |

For further details, please refer to this section “Objects of the Issue- Funding for Working Capital Requirements” on page 86 of this RHP.

Our growing scale and expansion may result in increase in the quantum of current assets, leading to higher working capital requirements. Our inability to maintain adequate cash flow, secure credit facilities, or arrange other sources of funding in a timely manner, or at all, could adversely impact our financial condition and business operations.

However, we intend to utilize net proceeds of Rs. 400.00 lakhs towards working capital requirements, which will support our operational needs and help sustain our growth. For further details regarding the utilization of funds, please refer to the section “Objects of the Issue – Working Capital Requirements” on page 86 of this Red Herring Prospectus. However, there can be no assurance that our estimated working capital requirements will not increase in the future or that we will not require additional financing and any inability to secure such financing on commercially acceptable terms, or at all, may adversely impact our business, financial condition and results of operations.

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

Our Company has entered into various transactions with our Directors, Promoters and Promoter Group members/entities. These transactions, inter-alia includes, rent and remuneration. For details, please refer to Annexure 31 – Restated Statement of Related Party Transactions” under Section titled “**Financial Information of the Company**” and Chapter titled “**Capital Structure**” beginning on page 195 and 67 respectively of this Red Herring Prospectus.

While our Company trust that all such transactions have been conducted on an arm’s length basis and are accounted as per AS 18 and are in compliance with the provisions of the Companies Act, 2013 and other applicable laws, however there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Our Company has entered into such transactions due to easy proximity and quick execution.

Although all related-party transactions that we may enter into in the future are subject to approval by Board or shareholders, as required under the Companies Act, we cannot assure you that such future transactions or any other future transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favorable terms if such transactions are not entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

**27. Our Promoters or directors do not possess experience in managing publicly listed companies.**

None of our existing Promoters or Directors has an experience of managing a listed Company. While they bring significant expertise in private company operations, the unique requirements and regulatory obligations of managing a listed entity, such as shareholder relations, market disclosures and compliance with stock exchange norms, may pose challenges. This lack of prior exposure could impact our company’s ability to effectively meet these demands, potentially affecting investor confidence and may attract notices, fines or penalties from regulatory authorities which may divert the Management’s attention and may have an adverse impact on the financial performance of the Company.

**28. *The Promoters (including Promoter Group) and Directors hold almost 100% of the Equity Shares of our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.***

Our Promoter and Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company or their relatives, dividend entitlement, or loans advanced by them to the Company and benefits deriving from the directorship in our Company. There can be no assurance that our Promoter will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders and our other shareholders may be unable to affect the outcome of such voting. For further information, please refer to the chapters/section titled “*Our Business*”, “*Our Promoter and Promoter Group*” and “*Annexure 31 – Restated Statement of Related Party Transactions*”, beginning on pages 111, 195 and 195 respectively of this Red Herring Prospectus.

**29. *The Objects of the Issue for which funds are being raised, are based on our management estimates and have not been appraised by any bank or financial institution or any independent agency.***

The deployment of funds will be entirely at our discretion, based on the parameters as mentioned in the chapter titled “Objects of the Issue”. The fund requirement and deployment, as mentioned in the section titled “Objects of the Issue” on page 80 of this Red Herring Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter “Objects of the Issue” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter “Objects of the Issue” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

**30. *Any variation in the utilization of the Net Proceeds as disclosed in this Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company.***

We propose to utilize the Net Proceeds for Purchase of new Plant & Machinery, Civil and Construction work, working capital requirements and general corporate purposes. For further details of the proposed objects of the Issue, see “Objects of the Issue” beginning on page 80 of this 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.

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 use any unutilized proceeds of the Issue, if any, or vary the terms of any contract referred to in this 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.

***31. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and industry in which we operate contained in the Red Herring Prospectus.***

While facts and other statistics in the Red Herring Prospectus relating to India, the Indian economy and the industry in which we operate has been based on various governmental and organizational web site data that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled “Industry Overview” beginning on page 102 of this Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

***32. 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. 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. While we have not experienced any such instance in the past, there can be no assurance that we will not experience any such adverse event in future

***33. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule.***

The proposed fund requirement as detailed in the section titled “Objects of the Issue” is to be funded from the proceeds of this Issue. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled “Objects of the Issue” beginning on page 80 of this Red Herring Prospectus.

***34. Our ability to pay any dividends will depend upon future earnings, financial condition, cash flows and working capital requirements.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the Section “Dividend Policy” on page 156 of the Red Herring Prospectus.

***35. Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Red Herring Prospectus is based on certain assumptions and has been subjected to rounding off and future production and capacity utilization may vary.***

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Red Herring Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to nature of products to be manufactured and assumptions relating to operational efficiencies. For capacity assessment, assumptions have been made based on the production of core masterbatch processing units, as they constitute the primary revenue-generating segment of our business.

Thus, actual utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization information of our facility. Undue reliance should therefore not be placed on our production capacity or historical estimated capacity utilization information for our existing facility included in this Red Herring Prospectus. For

further information, see the section titled “Our Business - Installed Capacity & Capacity Utilisation” on page 118 of this Red Herring Prospectus.

***36. Loans availed by our Company has been secured on personal guarantees of our Promoters. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected in case of invocation of any personal guarantees provided by our Promoters.***

Our Promoters, Promoter Group Members and Directors Mehul Pravinchandra Joshi, Pravinchandra Girdharlal Joshi, Bhakti Mehul Joshi, Usha Joshi has provided personal guarantee to secure a significant portion of our existing borrowings taken from the banks and may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the personal guarantees provided by the aforesaid may be invoked which could negatively impact their reputation and net worth. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. We may also not be successful in procuring alternate guarantees/alternate security satisfactory to the lenders, 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 regarding loans availed by our Company, please refer “*Statement of Financial Indebtedness*” on page 208 of this Red Herring Prospectus.

***37. Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.***

Our operations may be subject to incidents of theft or damage to inventory. The business may also encounter some inventory part/components loss on account of employee theft, vendor fraud and general administrative error. While we have not experienced any such instance in the Fiscal 2025, 2024, 2023, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse or similar incidents in the future, which could adversely affect our results of operations and financial condition. Though we have insurance losses due to theft, fire, breakage or damage caused by other casualties, could adversely affect our results of operations and financial condition. While we have not experienced any such instance in the past, there can be no assurance that we will not experience any such adverse event in future.

***38. There is no monitoring agency appointed by Our Company to monitor the utilization of the Issue proceeds.***

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above ₹5,000.00 lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

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

Our Promoters average cost of acquisition of Equity Shares in our company may be lower than the Issue Price as may be decided by the company in consultation with the Book Running Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapter “Capital Structure” beginning on page 67 of this Red Herring Prospectus.

***40. Our Promoters and the Promoter Group will jointly continue to retain majority shareholding in our Company after the issue, which will allow them to determine the outcome of the matters requiring the approval of shareholders.***

Our promoters along with the promoter group will continue to hold collectively [●] % of the post issue paid up share capital of the company. As a result of the same, they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholder’s vote. Such a concentration of the ownership may also have the effect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoters and promoter group will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

***41. Certain data mentioned in this Red Herring Prospectus has not been independently verified.***



We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

***42. Certain key performance indicators for certain listed industry peers included in this Red Herring Prospectus have been sourced from public sources and there is no assurance that such financial and other industry information is complete***

Pursuant to the requirements of the SEBI ICDR Regulations, we have included certain key performance indicators, comprising financial and operational information, for certain listed industry peers, in the “**Basis for Issue Price**” beginning on page 92 of the Red Herring Prospectus. Although this information is sourced from and relied upon on the consolidated audited financial statements of the relevant listed industry peers as available on the websites of the Stock Exchanges, including the annual reports of the respective companies submitted to Stock Exchanges, there is no assurance that this information with respect to industry peers is either complete. There may be different methodologies and formulas used to compute the various ratios.

***43. We are subject to the restrictive covenants of banks in respect of the Loans/ Credit Limits and other banking facilities availed from them.***

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lender, regarding, among other things such as major changes in share capital, management, changes in fixed assets, creation of any other charge, undertake any guarantee obligation etc. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows. For further details on the Cash Credit Limits and other banking facilities, please see “**Statement of Financial Indebtedness**” on page 208 of the Red Herring Prospectus.

***44. The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the issue price and you may not be able to sell your Equity Shares at or above the Issue Price.***

Prior to the Issue, there has been no public market for the Equity Shares and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares will be determined by our Company in consultation with the BRLMs through the Book Building Process. This price will be based on numerous factors, as described under “Basis for the Issue Price” on page 92 and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, problems such as temporary closure, broker default and settlement delays experienced by the Indian Stock Exchanges, strategic actions by us or our competitors, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications and changes in economic, legal and Section VVV factors. Consequently, the price of our Equity Shares may be volatile and you may be unable to resell your Equity Shares at or above the Issue Price, or at all. There has been significant volatility in the Indian stock markets in the recent past and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

**EXTERNAL RISK FACTORS**

***45. A slowdown in economic growth in India could have a negative impact on cause our business, results of operations and financial conditions to suffer.***

The economy and securities markets in India are influenced by economic developments and volatility in securities markets in other nations across the globe. Investors’ responses to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative developments in the economy,

such as increase in trade deficits, decline in India's foreign exchange reserves or a default on national debt, in other emerging countries may also affect investor confidence and cause increase in volatility in Indian securities markets and affect the Indian economy in general. Any financial instability across the globe may also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and may adversely affect our business, financial performance and the price of our Equity Shares. Any other global economic developments or the probability of their occurrence may continue to have an adverse effect on global economic conditions and the stability of financial markets across the globe and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could decrease economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our equity shares. Any financial disruption could have an adverse effect on our business, cash flows, future financial performance, shareholders' equity and the price of our Equity Shares.

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

The outbreak, of any severe communicable disease, as seen in the recent outbreak and aftermath of COVID-19, could materially and adversely affect business sentiment and environment across industries. 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 of COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders and lockdowns. These measures have impacted and may further impact our workforce and operations and also the operations of our clients. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. During the lockdown period in response to the COVID-19 pandemic, our Company had certain interim measures in place to ensure business and operational continuity. Our employees worked remotely. However, certain of our operations are dependent on various information technology systems and applications which may not be adequately supported by a robust business continuity plan, which could impact our business in the event of a disaster of any nature. Although we continue to devote resources and management focus, there can be no assurance that these programs will operate effectively.

***47. Natural disasters, acts of war, terrorist attacks and other events could materially and adversely affect our business and profitability.***

Natural disasters (such as earthquakes, fire, typhoons, cyclones, hurricanes and floods), pandemics, epidemics, strikes, civil unrest, terrorist attacks and other events, which are beyond our control, may lead to global or regional economic instability, which may in turn materially and adversely affect our business, financial condition, cash flows and results of operations. Any of these occurrences could cause severe disruptions to our daily operations and may warrant a temporary closure of our manufacturing Facility. Such closures may disrupt our business operations and adversely affect our results of operations. Such an outbreak or epidemic may significantly interrupt our business operations as health or governmental authorities may impose quarantine and inspection measures on us or our clients.

Moreover, certain regions in India have witnessed terrorist attacks and civil disturbances and it is possible that future terrorist attacks or civil unrest, as well as other adverse social, economic and political events in India could have a negative effect on us. Transportation facilities, including vehicles, can be targets of terrorist attacks, which could lead to, among other things, increased insurance and security costs. Regional and global political or military tensions or conflicts, strained or altered foreign relations, protectionism and acts of war or the potential for war could also cause damage and disruption to our business, which could materially and adversely affect our business, financial condition, cash flows and results of operations. Such incidents could create the perception that investments in Indian companies involve a higher degree of risk and such perception could adversely affect our business and the price of the Equity Shares.

Developments in the ongoing conflict between Russia and Ukraine, between Israel and Hamas, Hezbollah and Iran and between Houthi rebels and certain western countries, have resulted in and may continue to result in a period of sustained instability across global financial markets, induce volatility in commodity prices, adversely impact availability of natural gas, increase in supply chain, logistics times and costs, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity in India.

If we are unable to successfully anticipate and respond to changing economic and market conditions, our business, results of operations and financial condition may be adversely affected.

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

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in South - East Asian countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition. The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in South East Asia. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

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

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

***50. Our business is substantially affected by prevailing economic, political and other prevailing conditions in emerging markets.***

Political, economic or other factors that are beyond our control may have an adverse effect on our business, financial condition, results of operations and cash flows.

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. We are incorporated in and currently functioning only in India and, as a result, are dependent on prevailing economic conditions in India. Our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy and hence our results of operations, may include:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- volatility in and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- ongoing conflict between Russia and Ukraine, between Israel and Hamas, Hezbollah and Iran and between Houthi rebels and certain western countries
- occurrence of natural or man-made disasters (such as hurricanes, typhoons, floods, earthquakes, tsunamis and fires) which may cause us to suspend our operations;
- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war may adversely affect the Indian markets as well as result in a loss of business confidence in Indian companies;
- epidemics, pandemics or any other public health concerns in India or in countries in the region or globally, including in India's various neighboring countries, such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 pandemic;

- any downgrading of India's debt rating by a domestic or international rating agency;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs,
- increased regulations or capital investment requirements; and
- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

While our results of operations may not necessarily track India's economic growth figures, the Indian economy's performance nonetheless affects the environment in which we operate. Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, financial condition and results of operations and the price of the Equity Shares.

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

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter "**Government and Other Statutory Approvals**" on page 223 for details of the laws currently applicable to us. The governmental and regulatory bodies in India and other jurisdictions where we operate may notify new regulations and/or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and investments in our Company by non-residents, could result in us being deemed to be in contravention of such laws and/or may require us to apply for additional approvals. Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, turnover tax, goods and services tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. For details of these disputes, see "**Outstanding Litigation and Material Developments**" on page 220 of this Red Herring Prospectus. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time.

Earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax ("DDT"), in the hands of the company at an effective rate of 20.56% (inclusive of applicable surcharge and health and education cess). Such dividends were generally exempt from tax in the hands of the shareholders. However, the GoI has amended the IT Act to abolish the DDT regime. Accordingly, any dividend distributed by a domestic company is subject to tax in the hands of the investor at the applicable rate. Additionally, the Company is required to withhold tax on such dividends distributed at the applicable rate.

Further, the Government of India announced the Union Budget for the Financial Year 2025 –2026 on February 1, 2025. Following this the Finance Bill 2025, was introduced in the Lok Sabha on the same day and the bill is currently under parliamentary consideration and is expected to receive the President's assent becoming the Finance Act, 2025, with effect from April 1, 2025. The Finance Bill, 2025, proposes changes to India's taxation framework, including raising the tax exception threshold to Rs. 1.2 million annually and recalibrating tax slabs, with the maximum rate of 30% applying to incomes of Rs. 2.4 million and above. We have not fully determined the impact of these recent laws and regulations on our business. There is no certainty on the impact of the Finance Bill, 2025 on tax laws or other regulations, which may adversely affect the Company's business, financial condition and results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in our Equity Shares. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent, may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

***52. Increase in Indian inflation may lead to increased costs and a decline in profits.***

We may experience inflation volatility in India and continue to face historically persistent high inflation rates. Escalating inflation may increase interest rates and operational costs, including transportation, salaries and other business-related expenses, negatively impacting our financial health. Inflationary pressures could also complicate cost estimation and management. Should operating expenses rise due to inflation, our inability to fully transfer these costs to customers could adversely affect our profitability and financial standing. Moreover, inflation-induced interest rate rises could slow economic growth and credit expansion, further straining our financial performance. Our future success depends on our ability to increase revenue to counterbalance inflation-related cost hikes, failing which our business prospects, financial condition, operational results and cash flow could suffer. Although the Government of India has implemented measures to mitigate inflation, there can be no assurance that these measures remain effective.

***53. Volatile conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.***

The Indian securities markets have experienced significant volatility from time to time. The regulation and monitoring of the Indian securities market and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the United States, Europe and certain economies in Asia. Instability in the global financial markets has negatively affected the Indian economy in the past and may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy, financial sector and business in the future. For instance, recent concerns relating to the United States and China trade tensions have led to increased volatility in the global capital markets. In addition, the United States, the United Kingdom and Europe are some of India's major trading partners and there are rising concerns of a possible slowdown in these economies.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to improve the stability of the global financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts is uncertain and they may not have had the intended stabilizing effects. Adverse economic developments overseas in countries where we have operations or other significant financial disruptions could have a material adverse effect on our business, future financial performance and the trading price of the Equity Shares.

## **SECTION IV – INTRODUCTION**

### **THE ISSUE**

| <b>PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS</b>                       |                                                                                                        |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| <b>Equity Shares issued through Public Issue <sup>(1)</sup><br/><sup>(2)</sup></b> | Issue of up to 30,08,000 Equity Shares of face value of ₹ 10 each fully paid-up of our Company.        |
| <b>Out of which:</b>                                                               |                                                                                                        |
| <b>Issue Reserved for the Market Makers</b>                                        | Up to 1,52,000 Equity Shares aggregating to ₹ [●] Lakhs.                                               |
| <b>Net Issue to the Public</b>                                                     | Up to 28,56,000 Equity Shares aggregating to ₹ [●] Lakhs.                                              |
| <b>Out of which*</b>                                                               |                                                                                                        |
| <b>QIB Portion <sup>(4)</sup></b>                                                  | Not more than 14,25,600 Equity Shares aggregating up to ₹ [●] lakhs.                                   |
| <b>Of Which</b>                                                                    |                                                                                                        |
| Anchor Investor                                                                    | Up to 8,54,400 Equity Shares aggregating up to ₹ [●] lakhs                                             |
| Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)             | Up to 5,71,200 Equity Shares aggregating up to ₹ [●] lakhs                                             |
| <b>Of Which</b>                                                                    |                                                                                                        |
| Available for allocation to Mutual Funds only (5% of the Net QIB Portion)          | Up to 27,200 Equity Shares aggregating up to ₹ [●] lakhs                                               |
| Balance of QIB Portion for all QIBs including Mutual Funds                         | Up to 5,44,000 Equity Shares aggregating up to ₹ [●] lakhs                                             |
| Non-Institutional Portion                                                          | Not less than 4,28,800 Equity Shares aggregating up to ₹ [●] lakhs                                     |
| Individual investors who apply for minimum application size Portion                | Not less than 10,01,600 Equity Shares aggregating up to ₹ [●] lakhs                                    |
| <b>Pre and Post – Issue Equity Shares</b>                                          |                                                                                                        |
| <b>Equity Shares outstanding prior to the Issue</b>                                | 75,41,040 Equity Shares of face value of ₹ 10 each                                                     |
| <b>Equity Shares outstanding after the Issue</b>                                   | Up to 1,05,49,040 Equity Shares of face value ₹ 10 each                                                |
| <b>Use of Net Proceeds by our Company</b>                                          | Please see the chapter titled <b>“Objects of the Issue”</b> on page 80 of this Red Herring Prospectus. |

Notes:

- (1) The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229(2) of SEBI (ICDR) Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the Post – Issue paid up equity share capital of our company are being offered to the public for subscription.
- (2) The present Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on March 12, 2025 and by our Shareholders pursuant to a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General meeting held on March 13, 2025.
- (3) The SEBI ICDR Regulation, 2018 read with SEBI ICDR (Amendment) Regulations, 2025, permits the issue of securities to the public through the Book Building Process, which states that not less than 35% of the Net Issue shall be available for allocation to Individual Investors who applies for minimum application size. Not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than two lots and up to such lots as equivalent to not more than ₹ 10.00 Lakhs and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 10.00 Lakhs and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non Institutional Portion. Subject to the availability of shares in non-institutional investors' category the, allotment to each Non-Institutional Investors shall not be less than the minimum application size in Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations 2018 read with SEBI ICDR (Amendment) Regulations, 2025. Not more than 50% of the Net Issue shall be allotted to QIBs, subject to valid Bids being received at or above the Issue Price.

- (4) *Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Investors at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.*

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. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Investors (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Investors (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled ***“Issue Procedure”*** beginning on page no. 256.

## SUMMARY OF OUR FINANCIAL STATEMENTS

### ANNEXURE – I STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Rs. in Lakhs unless otherwise mentioned)

| Particulars                                                  | Annexure No. | As at March 31, |                 |                 |
|--------------------------------------------------------------|--------------|-----------------|-----------------|-----------------|
|                                                              |              | 2025            | 2024            | 2023            |
| <b>I. EQUITY AND LIABILITIES</b>                             |              |                 |                 |                 |
| <b><u>(1) Shareholder's Funds</u></b>                        |              |                 |                 |                 |
| (a) Share Capital                                            | 5            | 754.10          | 29.00           | 29.00           |
| (b) Reserves and Surplus                                     | 6            | 951.96          | 1,126.71        | 806.76          |
| <b><u>(2) Non-Current Liabilities</u></b>                    |              |                 |                 |                 |
| (a) Long-Term Borrowings                                     |              | -               | -               | -               |
| (b) Deferred Tax Liability (Net)                             |              | -               | -               | -               |
| (c) Other Long -Term Liabilities                             | 7            | 2.00            | 0.50            | 0.50            |
| (d) Long Term Provision                                      | 8            | 32.52           | 30.43           | 27.92           |
| <b><u>(3) Current Liabilities</u></b>                        |              |                 |                 |                 |
| (a) Short Term Borrowing                                     | 9            | -               | 36.16           | -               |
| (b) Trade Payables                                           |              |                 |                 |                 |
| (i) Due to Micro and Small Enterprises                       | 10           | 15.73           | 75.68           | 104.39          |
| (ii) Due to creditors other than Micro and Small Enterprises | 10           | 14.98           | 9.85            | 31.69           |
| (c) Other Current Liabilities                                | 11           | 98.24           | 67.14           | 60.66           |
| (d) Short Term Provisions                                    | 12           | 25.77           | 11.67           | 21.40           |
| <b>Total Equity and Liabilities</b>                          |              | <b>1,895.30</b> | <b>1,387.14</b> | <b>1,082.31</b> |
| <b>II.ASSETS</b>                                             |              |                 |                 |                 |
| <b><u>(1) Non-Current Assets</u></b>                         |              |                 |                 |                 |
| (a) Property, Plant and Equipment and Intangible Assets      |              |                 |                 |                 |
| (i) Property, Plant and Equipment                            | 13           | 203.02          | 131.14          | 93.04           |
| (ii) Intangible Assets                                       | 13           | -               | -               | -               |
| (b) Non-Current Investment                                   | 14           | 638.79          | 443.06          | 308.55          |
| (c) Deferred Tax Assets (Net)                                | 15           | 18.17           | 15.78           | 15.55           |
| (d) Long Term Loans and Advances                             |              | -               | -               | -               |
| (e) Other Non-Current Assets                                 | 16           | 91.48           | 31.25           | 32.01           |
| <b><u>(2) Current Assets</u></b>                             |              |                 |                 |                 |
| (a) Inventories                                              | 17           | 208.16          | 183.91          | 145.63          |
| (b) Trade Receivables                                        | 18           | 554.95          | 338.69          | 356.61          |
| (c) Cash and Bank Balances                                   | 19           | 129.30          | 207.32          | 106.27          |
| (d) Short Term Loans and Advances                            | 20           | 50.30           | 32.72           | 22.67           |
| (e) Other Current Assets                                     | 21           | 1.13            | 3.28            | 1.97            |
| <b>Total</b>                                                 |              | <b>1,895.30</b> | <b>1,387.14</b> | <b>1,082.31</b> |



The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated financial Statement (Annexure 4 to Annexure 34) are an integral part of this statement.

As per our report of even date

**For Y M S & CO LLP**

Chartered Accountants

Firm Registration No. 143858W/W100859

**For and on Behalf of Board of Director**

Mehul Colours Limited

(formerly known as Mehul Colours and Master Batches Limited)

Sd/:

**Yatin Rajesh Shah**

Partner

Membership No. 157281

UDIN :25157281BMMBUF6180

Place: - Mumbai

Date: - July 16, 2025

**Mehul P. Joshi**

Chairman & Managing Director

DIN: 00178766

**Bhakti M. Joshi**

Whole Time Director

DIN: 02376755

**Rashmi Parab**

CFO

PAN: - ARWPP9874A

**Shilpa Karan Mehta**

Company Secretary

M. No.: 65187

**ANNEXURE – 2**  
**RESTATED STATEMENT OF PROFIT AND LOSS**  
**(Rs. in Lakhs unless otherwise mentioned)**

| Sr. No.  | Particulars                                                           | Annexure No. | For the year ended March 31, |                 |                 |
|----------|-----------------------------------------------------------------------|--------------|------------------------------|-----------------|-----------------|
|          |                                                                       |              | 2025                         | 2024            | 2023            |
| <b>A</b> | <b>Income:</b>                                                        |              |                              |                 |                 |
|          | Revenue From Operations                                               | 22           | 2,282.20                     | 2,193.64        | 2,117.92        |
|          | Other Income                                                          | 23           | 89.09                        | 72.03           | 18.68           |
|          | <b>Total Income</b>                                                   |              | <b>2,371.29</b>              | <b>2,265.67</b> | <b>2,136.60</b> |
|          | <b>Expenses:</b>                                                      |              |                              |                 |                 |
| <b>B</b> | Cost of Material Consumed                                             | 24           | 1,042.91                     | 1,288.29        | 1,140.97        |
|          | Changes in inventories of Finished Goods                              | 25           | (19.09)                      | (46.72)         | (2.45)          |
|          | Employee Benefit Expenses                                             | 26           | 245.93                       | 235.41          | 224.90          |
|          | Finance Cost                                                          | 27           | 2.89                         | 2.74            | 3.90            |
|          | Depreciation and Amortization Expenses                                | 28           | 34.92                        | 32.00           | 23.29           |
|          | Other Expenses                                                        | 29           | 323.36                       | 319.22          | 335.99          |
|          | <b>Total Expenses</b>                                                 |              | <b>1,630.92</b>              | <b>1,830.94</b> | <b>1,726.60</b> |
| <b>C</b> | <b>Profit/ (Loss) before exceptional, extraordinary items and tax</b> |              | <b>740.37</b>                | <b>434.73</b>   | <b>410.00</b>   |
|          | Less: Exceptional Items                                               |              | -                            | -               | -               |
|          | <b>Profit/ (Loss) before extraordinary items and tax (A-B)</b>        |              | <b>740.37</b>                | <b>434.73</b>   | <b>410.00</b>   |
|          | Extra ordinary items                                                  |              | -                            | -               | -               |
| <b>D</b> | <b>Profit/ (Loss) before tax</b>                                      |              | <b>740.37</b>                | <b>434.73</b>   | <b>410.00</b>   |
|          | <b>Tax expense:</b>                                                   |              |                              |                 |                 |
|          | Current tax                                                           |              | 192.45                       | 113.13          | 117.35          |
|          | Deferred Tax Expense/(Income)                                         |              | (2.38)                       | (0.23)          | (1.32)          |
|          | <b>Profit/(Loss) for the period After Tax- PAT</b>                    |              | <b>550.30</b>                | <b>321.82</b>   | <b>293.96</b>   |
| <b>E</b> | Weighted Avg. No. of Shares                                           |              | 75,41,040                    | 75,41,040       | 75,41,040       |
| <b>F</b> | <b>Earning per Equity Share having face value of Rs.10</b>            |              |                              |                 |                 |
|          | (1) Basic                                                             |              | 7.30                         | 4.27            | 3.90            |
|          | (2) Diluted                                                           |              | 7.30                         | 4.27            | 3.90            |

The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated financial Statement (Annexure 4 to Annexure 34) are an integral part of this statement.

As per our report of even date

**For Y M S & CO LLP**

Chartered Accountants

Firm Registration No. 143858W/W100859

**For and on Behalf of Board of Director**

Mehul Colours Limited

(formerly known as Mehul Colours and Master Batches Limited)

Sd/:

**Yatin Rajesh Shah**

Partner

Membership No. 157281

UDIN :25157281BMMBUF6180

**Mehul P. Joshi**

Chairman & Managing Director

DIN: 00178766

**Bhakti M. Joshi**

Whole Time Director

DIN: 02376755

Place: - Mumbai

Date: - July 16, 2025

**Rashmi Parab**

CFO

PAN: - ARWPP9874A

**Shilpa Karan Mehta**

Company Secretary

M. No.: 65187

**ANNEXURE-3**  
**RESTATED STATEMENT OF CASH FLOWS**

(Rs. in Lakhs)

| Particulars                                                                          | For the year ended March 31, |                 |                 |
|--------------------------------------------------------------------------------------|------------------------------|-----------------|-----------------|
|                                                                                      | 2025                         | 2024            | 2023            |
| <b>Cash Flow from Operating Activities:</b>                                          |                              |                 |                 |
| Net Profit before tax as per Profit and Loss A/c                                     | 740.38                       | 434.73          | 410.00          |
| <b>Adjustments for non-cash &amp; non-operating items: -</b>                         |                              |                 |                 |
| Depreciation & Amortization Expense                                                  | 34.92                        | 32.00           | 23.29           |
| Finance Cost                                                                         | 2.89                         | 2.74            | 3.90            |
| Provision for Gratuity                                                               | 6.47                         | 4.16            | 5.12            |
| Provision for Doubtful Debt                                                          | (5.65)                       | 5.27            | 31.08           |
| Rent Income                                                                          | (3.79)                       | (3.77)          | (3.44)          |
| Interest & Dividend Income                                                           | (58.69)                      | (46.53)         | (11.11)         |
| PMS (Gain) / Loss                                                                    | (2.11)                       | (0.25)          | (1.24)          |
| Profit on sale of Fixed Assets                                                       | (8.15)                       | (12.52)         | -               |
| <b>Operating Profit Before Working Capital Changes</b>                               | <b>706.28</b>                | <b>415.82</b>   | <b>457.60</b>   |
| <b>Adjusted for (Increase)/ Decrease in:</b>                                         |                              |                 |                 |
| Short Term Loans & Advance                                                           | (17.59)                      | (10.05)         | 11.08           |
| Trade Receivable                                                                     | (210.62)                     | 12.65           | 290.77          |
| Inventories                                                                          | (24.25)                      | (38.28)         | (40.40)         |
| Long term Provisions                                                                 | 0.00                         | (3.10)          | (5.45)          |
| Other Long Term Liabilities                                                          | 1.50                         | -               | -               |
| Other Current Liabilities                                                            | 31.09                        | 6.48            | (50.05)         |
| Trade Payables                                                                       | (54.82)                      | (50.55)         | (89.95)         |
| Other Non-Current Assets                                                             | (60.23)                      | 0.76            | (2.65)          |
| Other Current Assets                                                                 | 2.13                         | (1.30)          | 0.06            |
| <b>Cash Generated from Operations</b>                                                | <b>373.50</b>                | <b>332.44</b>   | <b>571.01</b>   |
| Appropriation of Profit                                                              |                              |                 |                 |
| Net Income Tax paid/ Refunded                                                        | (182.67)                     | (123.28)        | (103.78)        |
| <b>Net Cash Flow from/ (used in) Operating Activities: (A)</b>                       | <b>190.83</b>                | <b>209.16</b>   | <b>467.23</b>   |
| <b>Cash Flow from Investing Activities:</b>                                          |                              |                 |                 |
| Net Purchase of Property, Plant and Equipment's (including capital work in progress) | (98.66)                      | (71.49)         | (34.75)         |
| Net Sale of Property, Plant and Equipment's                                          | -                            | 13.91           | -               |
| Long term Investment (made)/ Sold during the year                                    | (195.73)                     | (134.51)        | (308.55)        |
| Interest & Dividend Income                                                           | 58.69                        | 46.53           | 11.11           |
| Rent Income                                                                          | 3.79                         | 3.77            | 3.44            |
| Investment in PMS (Gain) / Loss                                                      | 2.11                         | 0.25            | 1.24            |
| <b>Net Cash Flow from/ (used in) Investing Activities: (B)</b>                       | <b>(229.80)</b>              | <b>(141.54)</b> | <b>(327.51)</b> |
| <b>Cash Flow from Financing Activities:</b>                                          |                              |                 |                 |
| Net Increase/(Decrease) in Long Term Borrowings                                      | -                            | -               | -               |
| Net Increase/(Decrease) in Short Term Borrowing                                      | (36.16)                      | 36.16           | (36.85)         |
| Finance Cost                                                                         | (2.89)                       | (2.74)          | (3.90)          |
| <b>Net Cash Flow from/ (used in) Financing Activities (C)</b>                        | <b>(39.05)</b>               | <b>33.42</b>    | <b>(40.75)</b>  |
| Net Increase/Decrease) in Cash & Bank balance (A+B+C)                                | (78.01)                      | 101.04          | 98.97           |
| Cash and Cash Equivalent at Beginning of the Year                                    | 207.32                       | 106.27          | 7.29            |
| Cash and Cash Equivalent at End of the Year                                          | <b>129.30</b>                | <b>207.32</b>   | <b>106.27</b>   |

**Notes:**

| 1. Components of Cash and Cash Equivalent | For the year ended March 31, |      |      |
|-------------------------------------------|------------------------------|------|------|
|                                           | 2025                         | 2024 | 2023 |

| <b>Cash &amp; Cash Equivalents (as per Accounting Standard 3:<br/>Cash flow Statement</b> |               |               |               |
|-------------------------------------------------------------------------------------------|---------------|---------------|---------------|
| Cash In Hand                                                                              | 22.42         | 5.36          | 1.26          |
| Balance with Banks                                                                        | 106.88        | 1.96          | 55.01         |
| Other Bank Balances (Deposits with original maturity less than 3 months)                  | -             | 200.00        | 50.00         |
| <b>Total</b>                                                                              | <b>129.30</b> | <b>207.32</b> | <b>106.27</b> |

1. Cash flows are Reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future receipts and payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.
2. During the year, the Company acquired a new motor vehicle for a total value of ₹16,80,577.88, by exchanging its existing motor vehicle. The existing vehicle had a book value of ₹2,56,495.86 (after accounting for depreciation of ₹97,959.00 up to the date of disposal) and was exchanged at a sale value of ₹10,71,000.00, resulting in a profit of ₹8,14,504.14, which has been recognized in the Statement of Profit and Loss. As this is a non-cash transaction, it has not been included in the Cash Flow Statement, in accordance with the provisions of AS-3 on Cash Flow Statements.

The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated financial Statement (Annexure 4 to Annexure 34) are an integral part of this statement.

As per our report of even date.

**For Y M S & CO LLP**

Chartered Accountants

Firm Registration No. 143858W/W100859

**For and on Behalf of Board of Director**

Mehul Colours Limited

(formerly known as Mehul Colours and Master Batches Limited)

Sd/:

**Yatin Rajesh Shah**

Partner

Membership No. 157281

UDIN :25157281BMMBUF6180

Place: - Mumbai

Date: - July 16, 2025

**Mehul P. Joshi**

Chairman & Managing Director

DIN: 00178766

**Bhakti M. Joshi**

Whole Time Director

DIN: 02376755

**Rashmi Parab**

CFO

PAN: - ARWPP9874A

**Shilpa Karan Mehta**

Company Secretary

M. No.: 65187

## **GENERAL INFORMATION**

### **Brief Summary:**

Our Company was incorporated as “Mehul Colours and Masterbatches Private Limited” on December 12, 1995, under the provisions of the Companies Act, 1956, pursuant to a Certificate of Incorporation issued by Registrar of Companies, Maharashtra. Thereafter, our Company was converted from private limited to public limited, pursuant to special resolution passed by the shareholders of the Company at the Extraordinary General meeting held on December 02, 2024 and the name of our Company was changed from “Mehul Colours and Masterbatches Private Limited” to “Mehul Colours and Masterbatches Limited” vide fresh certificate of incorporation dated December 16, 2024 issued by the Registrar of Companies, Central Processing Centre. Subsequently, the name of our Company was changed from “Mehul Colours and Masterbatches Limited” to “Mehul Colours Limited”, pursuant to a Special Resolution passed by the shareholder at the Extraordinary General meeting held on January 04, 2025 vide fresh Certificate of Incorporation issued by the Registrar of Companies, Central Processing Centre, as on January 9, 2024. The Corporate identification number of our Company is U25209MH1995PLC095225.

For further details please refer to chapter titled “*History and Corporate Structure*” beginning on page 134 of this Red Herring Prospectus.

|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Registered Office</b> | Unit No - A 305,306, Kemp Plaza, Link Road, Chincholi Bunder Road, Mind Space, Near Evershine Mall, Malad West, Mumbai, Maharashtra, India, 400064.<br><b>Tel. No:</b> 91-8879000601<br><b>Email:</b> <a href="mailto:info@mehulcolours.com">info@mehulcolours.com</a><br><b>Website:</b> <a href="https://www.mehulcolours.com">https://www.mehulcolours.com</a><br><b>CIN:</b> U25209MH1995PLC095225.<br><b>Registration Number:</b> 095225 |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### **Address of the Registrar of Companies:**

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

**Registrar of Companies, Maharashtra**  
100, Everest, Marine Drive Mumbai- 400002  
**Phone:** 022-22812627  
**Email:** [roc.mumbai@mca.gov.in](mailto:roc.mumbai@mca.gov.in)  
**Website:** [www.mca.gov.in](http://www.mca.gov.in)

### **Board of Directors:**

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

| <b>Name of Director</b>   | <b>Designation</b>             | <b>DIN</b> | <b>Address</b>                                                                                                |
|---------------------------|--------------------------------|------------|---------------------------------------------------------------------------------------------------------------|
| Mehul Pravinchandra Joshi | Chairman and Managing Director | 00178766   | 9/1702 Quiescent Heights, Mindspace Off Link Road, Malad West, Mumbai, Mumbai, Maharashtra-400064             |
| Bhakti Mehul Joshi        | Whole Time Director            | 02376755   | 9/1702 Quiescent Heights, Mindspace Off Link Road, Malad West, Mumbai, Mumbai, Maharashtra-400064             |
| Hiral Rasikbhai Joshi     | Non- Executive Director        | 10998386   | A-11, J-3, Mahavir Nagar, CHS Ltd, Dhanukar wadi, Kandivli (west), Mumbai, Maharashtra-400067.                |
| Jyoti Abhay Jain          | Independent Director           | 07921550   | E-20, A-403, Creek view CHSL, Eksar Road, Above Dena Bank, Yogi Nagar, Borivalli, Mumbai- Maharashtra-400091. |
| Khyati Chetan Ghandhi     | Independent Director           | 02781483   | A-302, Shiv Darshan Society, Ahimsa Marg, Chincholi Bunder Road, Malad West, Mumbai, Maharashtra-400064.      |

For further details in relation to our directors, please refer to chapter titled “*Our Management*” on page 137 of this Red Herring Prospectus.

| <b>Chief Financial Officer</b>                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Company Secretary and Compliance Officer</b>                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Rashmi Rajendra Parab</b><br><b>Mehul Colours Limited (formerly known as Mehul Colours and Masterbatches Limited)</b><br><b>Address:</b> Unit No - A 305,306, Kemp Plaza, Link Road, Chincholi Bunder Road, Mind Space, Near Evershine Mall, Malad West, Liberty Garden, Mumbai, Malad West, Maharashtra, India, 400064.<br><b>Tel. No.:</b> 91-8879000601<br><b>Email:</b> <a href="mailto:accounts@mehulcolours.com">accounts@mehulcolours.com</a> | <b>Shilpa Karan Mehta</b><br><b>Mehul Colours Limited (formerly known as Mehul Colours and Masterbatches Limited)</b><br><b>Address:</b> Unit No - A 305,306, Kemp Plaza, Link Road, Chincholi Bunder Road, Mind Space, Near Evershine Mall, Malad West, Mumbai, Maharashtra, India, 400064.<br><b>Tel. No.:</b> 91-8879000601<br><b>Email:</b> <a href="mailto:info@mehulcolours.com">info@mehulcolours.com</a> |

### **Investor Grievances:**

**Investors can contact the Company Secretary and Compliance Officer, the BRLM 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, noncredit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.**

All grievances relating to the Issue other than the Anchor Investors may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidders should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, details of UPI IDs (if applicable), address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder.

Further, the investors shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

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

For all Issue related queries and for redressal of complaints, investors may also write to the Book Running Lead Manager.

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

| <b>Book Running Lead Manager to the Issue</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Legal Advisors to the Issue</b>                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Seren Capital Private Limited</b><br><b>Address:</b> Office no. 601 to 605, Raylon Arcade, Kondivita, J.B. Nagar, Mumbai, Mumbai, Maharashtra, India, 400059.<br><b>Tel No.:</b> +91-22-46011058<br><b>Email:</b> <a href="mailto:info@serencapital.in">info@serencapital.in</a><br><b>Investor Grievance Email:</b> <a href="mailto:investors@serencapital.in">investors@serencapital.in</a><br><b>Website:</b> <a href="https://serencapital.in/">https://serencapital.in/</a><br><b>Contact Person:</b> Ankit Maheswari/ Tripti Pathani<br><b>SEBI Reg. No.:</b> INM000013156                              | <b>Zenith India Lawyers</b><br>D-49, Sushant Lok-III, Sector-57, Gurugram, Haryana-122003<br><b>Tel No:</b> +91 -9899216169<br><b>Contact Person:</b> Raj Rani Bhalla<br><b>Designation:</b> Partner<br><b>Email:</b> <a href="mailto:raj@zilawyers.com">raj@zilawyers.com</a><br><b>Website:</b> <a href="http://www.zilawyers.com">www.zilawyers.com</a>                                                                                   |
| <b>Registrar to the Issue</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Peer Reviewed Statutory Auditor</b>                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Bigshare Services Private Limited</b><br><b>Address:</b> S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road andheri (East)Mumbai – 400093, India.<br><b>Telephone:</b> +91 22 6263 8200<br><b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a><br><b>Investor Grievance Email:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a><br><b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a><br><b>Contact Person:</b> Vinayak Morbale<br><b>SEBI Registration Number:</b> INR000001385 | <b>YMS &amp; Co., LLP</b><br><b>Chartered Accountants,</b><br><b>Address:</b> R.No. 29, 2nd floor, Shamji Vrindavan,54/56, Ramwadi, Kalbadevi, Mumbai 400002, Maharashtra, India<br><b>Tel No.:</b> 022 - 46080720<br><b>Email:</b> <a href="mailto:yatin.shah@ymscollp.com">yatin.shah@ymscollp.com</a><br><b>Firm Registration No.:</b> 143858W/W100859<br><b>Contact Person:</b> Yatin Shah<br><b>Peer Review Certificate No.:</b> 019307 |
| <b>Bankers to the Company</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Syndicate Member</b>                                                                                                                                                                                                                                                                                                                                                                                                                      |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ICICI Bank Limited</b><br><b>Address:</b> Casa Angelica, Building Malad, west, Mumbai<br><b>Telephone No.:</b> +91-8104311627<br><b>Email Id:</b> jagdish.ingole@icicibank.com<br><b>Website:</b> <a href="http://www.icicibank.com">www.icicibank.com</a><br><b>Contact Person:</b> Jagadish Ingole                                                                                                                                          | <b>Asnani Stock Broker Private Limited</b><br><b>Address:</b> 103, Sindhi Colony, Pratap Nagar, Chittorgarh, Rajasthan- 312001<br><b>Tel No.:</b> +91-9828100345<br><b>Email:</b> kamal@asnanionline.com<br><b>Contact Person Name:</b> Kamal Asnani<br><b>SEBI Registration No.:</b> INZ000190431 |
| <b>Bankers to the Issue/Refund Banker/ Sponsor Bank</b>                                                                                                                                                                                                                                                                                                                                                                                          | <b>Market Maker</b>                                                                                                                                                                                                                                                                                |
| <b>Axis Bank Limited</b><br><b>Address:</b> Axis House, 6 <sup>th</sup> Floor, C-2 Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai-400025<br><b>Tel.:</b> +91-9833123999<br><b>Email:</b> tushar.bhagate@axisbank.com<br><b>Contact person:</b> Tushar Bhagate<br><b>Website:</b> <a href="http://www.axisbank.com">www.axisbank.com</a><br><b>SEBI Registration Number:</b> INBI00000017<br><b>CIN:</b> L65110GJ1993PLC020769 | <b>Asnani Stock Broker Private Limited</b><br><b>Address:</b> 103, Sindhi Colony, Pratap Nagar, Chittorgarh, Rajasthan -312001<br><b>Tel No.:</b> +91-9828100345<br><b>Email:</b> kamal@asnanionline.com<br><b>Contact Person Name:</b> Kamal Asnani<br><b>SEBI Registration No.:</b> INZ000190431 |

#### Designated Intermediaries:

#### Self-Certified Syndicate Banks (SCSB's)

The list of SCSBs, as updated till date, is available on website of Securities and Exchange Board of India at below link <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>; and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>  
Investors are requested to refer the SEBI website for updated list of SCSBs and their 33 designated branches.

#### Self-Certified Syndicate Banks eligible as Sponsor Banks for UPI

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=41>

#### Syndicate SCSB Branches

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, individual investors who applies for minimum application size, using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, as amended.

#### Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI at (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), respectively, as updated from time to time.

#### Registrar and Share Transfer Agents

The list of the Registrar to Issue and Share Transfer Agents (RTAs) eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>, as updated from time to time.

### **Collecting Depository Participants**

The list of the Collecting Depository Participants (CDPs) eligible to accept Bid-cum-Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> for NSDL CDPs and at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18> for CDSL CDPs, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum 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.

### **Brokers to the Issue**

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

### **Expert Opinion**

Except for (i) the Installed Capacity and Actual Capacity Utilization Certificate issued by the Independent Chartered Engineer and (ii) the Independent Chartered Accountant Certificates issued in connection with this issue and (iii) the certificates provided in this sections titled “Restated Financial Statements” and “Statement of Special Tax Benefits” on pages 157 and 99, respectively, of this Red Herring Prospectus by the Statutory Auditor, our Company has not obtained any expert opinions. However, the term “expert” shall not be interpreted as defined under the U.S. Securities Act of 1933.

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

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

### **Appraisal and Monitoring Agency**

As per regulation 262(1) of SEBI ICDR Regulations, the requirement of monitoring agency is not mandatory if the Issue size (excluding offer for sale) is up to ₹ 5,000 Lakh. Since the Issue size (excluding offer for sale) is below ₹ 5,000 Lakh, our Company has not appointed any monitoring agency for this Issue. However, as per section 177 of the Companies Act, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

### **Green Shoe Option**

No Green Shoe Option is applicable for this Issue.

### **Credit Rating**

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

### **Trustees**

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

### **Debenture Trustees**

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

### **Filing of Issue Documents with the Designated Stock Exchange/SEBI/ROC**



The Draft Red Herring Prospectus has been filed with Bombay Stock Exchange of India Limited, Phiroze Jeejeebhoy tower, Dalal Street, Mumbai 400001, Maharashtra, India.

The Draft Red Herring Prospectus was not filed with SEBI, nor SEBI issued any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(3) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of RHP and Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

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

### **Book Building Process**

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process and advertised in all editions of the English national newspaper, Financial Express, all editions of Hindi national newspaper, Jansatta and Marathi Edition of Regional newspaper Pratahakal 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. Principal parties involved in the Book Building Process are:-

- Our Company
- The Book Running Lead Manager in this case being **Seren Capital Private Limited**,
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with BSE and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager; The Registrar to the Issue, in this case being the **Bigshare Services Private Limited**;
- The Escrow Collection Banks/ Bankers to the Issue and;
- The Designated Intermediaries and Sponsor bank

The SEBI (ICDR) Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLM allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the "Anchor Investor Portion"), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders out of which (a) one third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs and (b) two third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹10 lakhs, Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of non-institutional investors and not less than 35% of the Net Issue shall be available for allocation to individual investors who applies for minimum application size, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue. In accordance with the SEBI ICDR Regulations, none of the bidders are allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for individual investors who applies for minimum application size Portion where allotment to each individual investors who applies for minimum application size shall not be less than the minimum bid lot, subject to availability of Equity Shares in individual investors who applies for minimum application size Portion and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under – subscription, if any, in any category, would be allowed to be met with spill – over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, individual investors who applies for minimum application size applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention are invited to the chapter titled **“Issue Procedure”** beginning on page 256 of the Red Herring Prospectus.

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

For further details on the method and procedure for Bidding, please see section entitled **“Issue Procedure”** on page 256 of this Red Herring Prospectus.

**Illustration of the Book Building and Price Discovery Process:** Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares of face value of Rs. 10 each and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

| Bid Quantity | Bid Amount (₹) | Cumulative Quantity | Subscription |
|--------------|----------------|---------------------|--------------|
| 500          | 24             | 500                 | 16.67%       |
| 1,000        | 23             | 1,500               | 50.00%       |
| 1,500        | 22             | 3,000               | 100.00%      |
| 2,000        | 21             | 5,000               | 166.67%      |
| 2,500        | 20             | 7,500               | 250.00%      |

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalize the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled **“Issue Procedure”** on page 256 of this Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form;

**Bid/Issue Program:**

| Event                                                                                                   | Indicative Dates             |
|---------------------------------------------------------------------------------------------------------|------------------------------|
| Anchor Investor Bid/Issue Date                                                                          | 29 <sup>th</sup> July, 2025  |
| Bid/Issue Opening Date <sup>(1)</sup>                                                                   | 30 <sup>th</sup> July, 2025  |
| Bid/Issue Closing Date <sup>(2)</sup>                                                                   | 1 <sup>st</sup> August, 2025 |
| Finalization of Basis of Allotment with the Designated Stock Exchange                                   | 4 <sup>th</sup> August, 2025 |
| Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account | 5 <sup>th</sup> August, 2025 |
| Credit of Equity Shares to Demat accounts of Allottees                                                  | 5 <sup>th</sup> August, 2025 |
| Commencement of trading of the Equity Shares on the Stock Exchange                                      | 6 <sup>th</sup> August, 2025 |

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

*(2) Our Company in consultation with the BRLM, may decide to close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI (ICDR) Regulations.*

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid Cum Application Forms and any revisions to the same will be accepted only between 10:00 a.m. to 05:00 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 individual investors who applies for minimum application size and non- institutional Bidders. The time for applying for individual investors who applies for minimum application size on Bid/Issue Closing Date maybe extended in consultation with the BRLM, RTA and BSE 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 03.00 p.m. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this 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, none of the bidders are 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.. Allocation to individual investors who applies for minimum application size, 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.

**Withdrawal of the Issue**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue at any time before the Bid/ Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue anytime after the Bid/ Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. 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. The BRLM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company withdraws the Issue after the Bid/ Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) the registration of Red Herring Prospectus/ Prospectus with RoC.

### Underwriting

The Company and the Book Running Lead Manager to the Issue hereby confirm that the Issue will be 100% Underwritten by the underwriter, Seren Capital Private Limited.

Pursuant to the terms of the Underwriting Agreement dated June 21, 2025 entered into by Company, Underwriter, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

| Details of the Underwriter    | No. of shares underwritten | Amount Underwritten (₹ in Lakhs) | % of Total Issue Size Underwritten |
|-------------------------------|----------------------------|----------------------------------|------------------------------------|
| Seren Capital Private Limited | 30,08,000                  | [•]                              | 100%                               |

*\*Includes 1,52,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker, Asnani Stock Broker Private Limited in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.*

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

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

Except as stated below, there have been no changes in our Company's auditors in the last three (3) years:

| Details of Statutory Auditor                                                                                                                                                                                                                                                | Date of Change                             | Reason of Change                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------|
| <b>BHARAT K PATEL &amp; CO,</b><br>Chartered Accountants,<br>402, Rishikesh, Opp. N.L. High School, S.V. Road, Malad (West).<br><b>Email:</b> company@bkpca.com<br><b>Contact Person:</b> Bharat K Patel<br><b>Membership No:</b> 033271                                    | February 27, 2025<br>(Date of Resignation) | Resignation due to pre occupation in other assignments |
| <b>YMS &amp; Co., LLP</b><br><b>Chartered Accountants,</b><br><b>Address:</b> R.No. 29, 2nd floor, Shamji Vrindavan, 54/56, Ramwadi, Kalbadevi, Mumbai 400002, Maharashtra, India<br><b>Email:</b> yatin.shah@ymscollp.com<br><b>Firm Registration No.:</b> 143858W/W100859 | March 13, 2025<br>(Date of Appointment)    | Appointment in case of casual vacancy For FY 2024-25   |

|                                      |  |  |
|--------------------------------------|--|--|
| <b>Contact Person:</b> CA Yatin Shah |  |  |
|--------------------------------------|--|--|

#### **Details of the Market Making arrangement for this Issue**

Our Company and the BRLM has entered into Market Making Agreement dated June 21, 2025 with the following Market Maker, to fulfill the obligations of Market Making for this Issue:

|                               |                                                                  |
|-------------------------------|------------------------------------------------------------------|
| <b>Name</b>                   | Asnani Stock Broker Private Limited                              |
| <b>Correspondence Address</b> | 103, Sindhi Colony, Pratap Nagar, Chittorgarh, Rajasthan- 312001 |
| <b>Tel No.</b>                | +91-9828100345                                                   |
| <b>E-mail</b>                 | kamal@asnanionline.com                                           |
| <b>Website</b>                | www.asnanionline.com                                             |
| <b>Contact Person</b>         | Kamal Asnani                                                     |
| <b>SEBI Registration No.</b>  | INZ000190431                                                     |

In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we have entered into an agreement with the Book Running Lead Manager and the Market Maker (duly registered with BSE to fulfill the obligations of Market Making) dated June 21, 2025 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issuer.

Asnani Stock Broker Private Limited registered with BSE will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI (ICDR) Regulations.

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

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

- The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the SME Platform of BSE Limited and SEBI from time to time.
- The minimum depth of the quote shall be ₹ 1,00,000/-. However, the investors with holdings of value less than ₹ 1,00,000/- shall be allowed to Issue their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME platform of BSE (in this case currently the minimum trading lot size is [●] equity shares; however, the same may be changed by the SME platform of BSE from time to time).
- After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.
- There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
- Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.

- On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
- There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market-for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- The Market Maker(s) shall have the right to terminate said arrangement by giving a six months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the BRLM to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the BRLM reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our office from 10.00 a.m. to 5.00 p.m. on working days.

- **Risk containment measures and monitoring for Market Makers:** SME Platform of BSE will have all margins, which are applicable on BSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
- **Punitive Action in case of default by Market Makers:** BSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties/ fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties/ fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
- **Price Band and Spreads:** The SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to Rs. 250 crores, the applicable price bands for the first day shall be:
  - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

The following spread will be applicable on the SME platform:

| S. No. | Market Price Slab (in Rs.) Proposed Spread (in % to sale price) | Market Price Slab (in Rs.) Proposed Spread (in % to sale price) |
|--------|-----------------------------------------------------------------|-----------------------------------------------------------------|
| 1.     | Up to 50                                                        | 9                                                               |
| 2.     | 50 to 75                                                        | 8                                                               |
| 3.     | 75 to 100                                                       | 6                                                               |
| 4.     | Above 100                                                       | 5                                                               |

- Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Issue size and as follows:

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

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and/or norms issued by SEBI/ BSE from time to time.

All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

## CAPITAL STRUCTURE

The Share capital of our company as at the date of this Red Herring Prospectus is set forth below:

(₹ in Lakhs, except share data)

| Sr. No. | Particulars                                                                                                                                                                                                                        | Aggregate Value at Face Value | Aggregate Value at Issue Price |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------------------------------|
| A       | <b>Authorized Share Capital</b><br>1,10,00,000 Equity Shares having Face Value of ₹10/- each                                                                                                                                       | 1100.00                       | -                              |
| B       | <b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b><br>75,41,040 Equity Shares having Face Value of ₹10/- each                                                                                                | 754.10                        | -                              |
| C       | <b>Present Issue in terms of this Red Herring Prospectus*</b><br>Up to 30,08,000 Equity Shares having Face Value of ₹ 10/-each at a price of ₹ [●] per share                                                                       | 300.80                        | [●]                            |
|         | <i>Which comprises of:</i>                                                                                                                                                                                                         |                               |                                |
| D       | <b>Reservation for Market Maker Portion</b><br>Up to 1,52,000 Equity Shares of face value of Rs. 10 each at a price of ₹[●] per Equity Share reserved as Market Maker Portion                                                      | 15.20                         | [●]                            |
| E       | <b>Net Issue to Public</b><br>Net Issue to Public of 28,56,000 Equity Shares of face value of Rs. 10 each at a price of ₹[●] per Equity Share to the Public                                                                        | 285.60                        | [●]                            |
|         | <i>Of which:</i>                                                                                                                                                                                                                   |                               |                                |
|         | At least 10,01,600 Equity Shares of face value of Rs. 10 each aggregating up to Rs. [●] lakhs will be available for allocation to Individual investors who applies for minimum application size.                                   | 100.16                        | [●]                            |
|         | At least 4,28,800 Equity Shares of face value of Rs. 10 each aggregating up to Rs. [●] lakhs will be available for allocation to Non-Institutional Investors                                                                       | 42.88                         | [●]                            |
|         | Not more than 14,25,600 Equity Shares of face value of Rs. 10 each aggregating up to Rs. [●] lakhs will be available for allocation to Qualified Institutional Buyers, five per cent. of which shall be allocated to mutual funds. | 142.56                        | [●]                            |
| F       | <b>Issued, Subscribed and Paid-up Equity Share Capital after the Issue</b><br>1,05,49,040 Equity Shares of face value of ₹10/- each                                                                                                | 1054.90                       |                                |
| G       | <b>Securities Premium Account</b>                                                                                                                                                                                                  |                               |                                |
|         | Before the Issue (as on date of this Red Herring Prospectus)                                                                                                                                                                       | Nil                           |                                |
|         | After the Issue                                                                                                                                                                                                                    | [●]                           |                                |

*\*The Present Issue of up to 30,08,000 Equity Shares of face value of Rs. 10 each in terms of this Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated March 12, 2025 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 March 13, 2025.*

### Classes of Shares:

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

### NOTES TO THE CAPITAL STRUCTURE:

#### 1. Changes in Authorized Equity Share Capital of our Company:

| Sr. No. | Particulars      | Cumulative No. of Equity Shares | Face Value of Equity Share | Cumulative Authorized Share Capital (₹ in lakhs) | Date of Meeting  | Whether AGM/ EGM |
|---------|------------------|---------------------------------|----------------------------|--------------------------------------------------|------------------|------------------|
| 1.      | On incorporation | 1,00,000                        | 10/-                       | 10.00                                            | On Incorporation | N.A.             |



|    |                                                                                            |             |      |         |                                  |     |
|----|--------------------------------------------------------------------------------------------|-------------|------|---------|----------------------------------|-----|
| 2. | Increase in the authorized share capital of the Company from ₹10.00 Lakh to ₹25.00 Lakh    | 2,50,000    | 10/- | 25.00   | 04 April, 1996                   | EGM |
| 3. | Increase in the authorized share capital of the Company from ₹25.00 Lakh to ₹30.00 Lakhs   | 3,00,000    | 10/- | 30.00   | 24 <sup>th</sup> March, 2000     | EGM |
| 4. | Increase in the authorized share capital of the Company from ₹30.00 Lakh to ₹1100.00 Lakhs | 1,10,00,000 | 10/- | 1100.00 | 30 <sup>th</sup> September, 2024 | EGM |

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

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

| Date of Allotment   | No. of Equity Shares allotted | Face Value (₹) | Issue Price (including Premium if applicable) (₹) | Nature of Consideration | Nature of Allotment                           | Cumulative No. of Equity Shares | Cumulative Securities Premium (₹)* | Cumulative Paid up Capital (₹) |
|---------------------|-------------------------------|----------------|---------------------------------------------------|-------------------------|-----------------------------------------------|---------------------------------|------------------------------------|--------------------------------|
| Upon Incorporation* | 30                            | 10/-           | 10/-                                              | Cash                    | Subscription to MOA <sup>(i)</sup>            | 30                              | -                                  | 300                            |
| April 01, 1996*     | 65,000                        | 10/-           | 10/-                                              | Cash                    | Further Issue <sup>(ii)</sup>                 | 65,030                          | -                                  | 6,50,300                       |
| July 31, 1996*      | 1,40,900                      | 10/-           | 10/-                                              | Cash                    | Further Issue <sup>(iii)</sup>                | 2,05,930                        | -                                  | 20,59,300                      |
| January 15, 1997*   | 34,100                        | 10/-           | 10/-                                              | Cash                    | Further Issue <sup>(iv)</sup>                 | 2,40,030                        | -                                  | 24,00,300                      |
| December 31, 1997*  | 10                            | 10/-           | 10/-                                              | Cash                    | Further Issue <sup>(v)</sup>                  | 2,40,040                        | -                                  | 24,00,400                      |
| July 10, 2001*      | 50,000                        | 10/-           | 10/-                                              | Cash                    | Further Issue <sup>(vi)</sup>                 | 2,90,040                        | -                                  | 29,00,400                      |
| October 24, 2024    | 72,51,000                     | 10/-           | NA                                                | Other than Cash         | Bonus Issue in ratio of 25:1 <sup>(vii)</sup> | 75,41,040                       | -                                  | 7,54,10,400                    |

All the above-mentioned shares are fully paid up since the date of allotment.

\* We have been unable to trace the ROC forms filed with respect to these share allotments. Accordingly, the information regarding such allotments has been derived based on the available Minutes, share certificates and the limited information obtained from the physical search report prepared by M/s. Nagdev & Associates, Practicing Company Secretaries, dated January 9, 2025 ("ROC Search Report"). For further details, please refer to chapter titled "Risk Factor - We have been unable to trace some of our secretarial records including Annual Returns, forms filed for share allotments, director appointment forms, Share transfer forms and other forms filed with ROC prior to FY 2005." on page 36 of this RHP.

(i) Initial Subscribers to the Memorandum of Association subscribed 30 Equity Shares of Face Value of ₹ 10/- each, details of which are given below:

| Sr. No. | Name of Subscribers            | Number of Shares Subscribed |
|---------|--------------------------------|-----------------------------|
| 1.      | Pravinchandra Girdharlal Joshi | 10                          |
| 2.      | Usha Pravinchandra Joshi       | 10                          |

|    |                           |           |
|----|---------------------------|-----------|
| 3. | Mehul Pravinchandra Joshi | 10        |
|    | <b>Total</b>              | <b>30</b> |

(ii) Allotment of 65,000 Equity Shares of Face Value of ₹ 10/- each as per details given below:

| Sr. No. | Name of Allottees              | Number of Shares Allotted |
|---------|--------------------------------|---------------------------|
| 1.      | Pravinchandra Girdharlal Joshi | 65,000                    |
|         | <b>Total</b>                   | <b>65,000</b>             |

(iii) Allotment of 1,40,900 Equity Shares of Face Value of ₹ 10/- each as per details given below:

| Sr. No. | Name of Allottees                  | Number of Shares Allotted |
|---------|------------------------------------|---------------------------|
| 1.      | Usha Pravinchandra Joshi           | 30,000                    |
| 2.      | Mehul Pravinchandra Joshi          | 15,000                    |
| 3.      | Muliben Joshi                      | 25,900                    |
| 4.      | Raksha Joshi                       | 20,000                    |
| 5.      | Prankuvar Vajeshankar Purohit      | 10,000                    |
| 6.      | Vajeshankar Keshavlal Purohit      | 15,000                    |
| 7.      | Pravinchandra Girdharlal Joshi HUF | 25,000                    |
|         | <b>Total</b>                       | <b>1,40,900</b>           |

(iv) Allotment of 34,100 Equity Shares of Face Value of ₹ 10/- each as per details given below:

| Sr. No. | Name of Allottees              | Number of Shares Allotted |
|---------|--------------------------------|---------------------------|
| 1.      | Pravinchandra Girdharlal Joshi | 34,100                    |
|         | <b>Total</b>                   | <b>34,100</b>             |

(v) Allotment of 10 Equity Shares of Face Value of ₹ 10/- each as per details given below:

| Sr. No. | Name of Allottees | Number of Shares Allotted |
|---------|-------------------|---------------------------|
| 1.      | Pooja P Joshi     | 10                        |
|         | <b>Total</b>      | <b>10</b>                 |

(vi) Allotment of 50,000 Equity Shares of Face Value of ₹ 10/- each as per details given below:

| Sr. No. | Name of Allottees         | Number of Shares Allotted |
|---------|---------------------------|---------------------------|
| 1.      | P.G. Joshi HUF            | 15,000                    |
| 2.      | Raksha P Joshi            | 25,000                    |
| 3.      | Mehul Pravinchandra Joshi | 10,000                    |
|         | <b>Total</b>              | <b>50,000</b>             |

(vii) Bonus issue of 72,51,000 Equity Shares of Face Value of ₹ 10/-each in the ratio of 25:1 i.e Twenty Five (25) Bonus Equity Share for every One (1) Equity Share held by shareholders:

| Sr. No. | Name of Allottees         | Number of Shares Allotted |
|---------|---------------------------|---------------------------|
| 1.      | Mehul Pravinchandra Joshi | 66,25,500                 |
| 2.      | Bhakti Mehul Joshi        | 6,25,000                  |
| 3.      | Kisan Bhagat              | 250                       |
| 4.      | Rashmi Parab              | 250                       |
|         | <b>Total</b>              | <b>72,51,000</b>          |

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

3. Except as mentioned below, the Company has not issued any Equity Share in the last two years preceding the date of the Red Herring Prospectus.

| Date of Allotment | Number of Equity Shares | Face Value (₹) | Issue Price (₹) | Reason of Allotment | Benefits Accrued to our Company      | Name of Allottees         | No. of Shares Allotted |
|-------------------|-------------------------|----------------|-----------------|---------------------|--------------------------------------|---------------------------|------------------------|
| October 24, 2024  | 72,51,000               | 10.00          | Nil             | Bonus Issue in the  | Capitalization of Reserves & Surplus | Mehul Pravinchandra Joshi | 66,25,500              |
|                   |                         |                |                 |                     |                                      | Bhakti Mehul Joshi        | 6,25,000               |

| Date of Allotment | Number of Equity Shares | Face Value (₹) | Issue Price (₹) | Reason of Allotment | Benefits Accrued to our Company | Name of Allottees | No. of Shares Allotted |
|-------------------|-------------------------|----------------|-----------------|---------------------|---------------------------------|-------------------|------------------------|
|                   |                         |                |                 | ratio of 25:1       |                                 | Kisan Bhagat      | 250                    |
|                   |                         |                |                 |                     |                                 | Rashmi Parab      | 250                    |
|                   |                         |                |                 |                     |                                 | <b>TOTAL</b>      | <b>72,51,000</b>       |

4. Issue of Equity Shares for consideration other than cash:

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

| Date of Allotment | Number of Equity Shares | Face Value (₹) | Issue Price (₹) | Reason of Allotment              | Benefits Accrued to our Company      | Name of Allottees         | No. of Shares Allotted |
|-------------------|-------------------------|----------------|-----------------|----------------------------------|--------------------------------------|---------------------------|------------------------|
| October 24, 2024  | 72,51,000               | 10.00          | Nil             | Bonus Issue in the ratio of 25:1 | Capitalization of Reserves & Surplus | Mehul Pravinchandra Joshi | 66,25,500              |
|                   |                         |                |                 |                                  |                                      | Bhakti Mehul Joshi        | 6,25,000               |
|                   |                         |                |                 |                                  |                                      | Kisan Bhagat              | 250                    |
|                   |                         |                |                 |                                  |                                      | Rashmi Parab              | 250                    |
|                   |                         |                |                 |                                  |                                      | <b>TOTAL</b>              | <b>72,51,000</b>       |

5. No Equity Shares have been allotted pursuant to any scheme approved under sections 230-234 of the Companies Act, 2013 or under the erstwhile corresponding provisions of the Companies Act, 1956.
6. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
7. Except for bonus issue made on October 24, 2024 in Point 3 above, our Company has not issued Equity shares at price below the Issue price within last one year from the date of the Red Herring Prospectus.
8. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
9. **Shareholding Pattern of the Company**

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as on the date of this Red Herring Prospectus:

**I - Our Shareholding Pattern:-**

| Category | Category of shareholder    | Nos. of shareholders | No. of fully paid up equity shares of face value of Rs. 10 each held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Share holding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities* |              |           |                         | No. of Shares Underlying Outstanding convertible | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares of face value of Rs. 10 each held in dematerialized form |
|----------|----------------------------|----------------------|----------------------------------------------------------------------|------------------------------------------|----------------------------------------------|------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------|--------------|-----------|-------------------------|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------|--------------------------------------------------|---------------------------------|----------------------------------------------------------------------------------|
|          |                            |                      |                                                                      |                                          |                                              |                        |                                                                                               | No of Voting Rights                                       |              |           | Total as a % of (A+B+C) |                                                  |                                                                                                                                       | No.                        | As a % of total Shares held (b) | No. (a)                                          | As a % of total Shares held (b) |                                                                                  |
|          |                            |                      |                                                                      |                                          |                                              |                        |                                                                                               | Class Equity Shares of ₹10/- each^                        | Class seg: y | Total     |                         |                                                  |                                                                                                                                       |                            |                                 |                                                  |                                 |                                                                                  |
| I        | II                         | III                  | IV                                                                   | V                                        | VI                                           | VII = IV+V+VI          | VIII                                                                                          | IX                                                        |              |           |                         | X                                                | XI=VII+X                                                                                                                              | XII                        |                                 | XIII                                             |                                 | XIV                                                                              |
| (A)      | Promoters & Promoter Group | 4                    | 73,04,036                                                            | -                                        | -                                            | 73,04,036              | 96.86                                                                                         | 73,04,036                                                 | -            | 73,04,036 | 96.86                   | -                                                | 96.86                                                                                                                                 | -                          | -                               | -                                                | 73,04,036                       |                                                                                  |
| (B)      | Public                     | 7                    | 237004                                                               | -                                        | -                                            | 237004                 | 3.14                                                                                          | 237004                                                    | -            | 237004    | 3.14                    | -                                                | 3.14                                                                                                                                  | -                          | -                               | -                                                | 237004                          |                                                                                  |
| (C)      | Non Promoter-Non Public    | -                    | -                                                                    | -                                        | -                                            | -                      | -                                                                                             | -                                                         | -            | -         | -                       | -                                                | -                                                                                                                                     | -                          | -                               | -                                                | -                               |                                                                                  |
| (C1)     | Shares underlying DRs      | -                    | -                                                                    | -                                        | -                                            | -                      | -                                                                                             | -                                                         | -            | -         | -                       | -                                                | -                                                                                                                                     | -                          | -                               | -                                                | -                               |                                                                                  |
| (C2)     | Shares held by Emp. Trusts | -                    | -                                                                    | -                                        | -                                            | -                      | -                                                                                             | -                                                         | -            | -         | -                       | -                                                | -                                                                                                                                     | -                          | -                               | -                                                | -                               |                                                                                  |
|          | Total                      | 11                   | 75,41,040                                                            | -                                        | -                                            | 75,41,040              | 100.00                                                                                        | 75,41,040                                                 | -            | 75,41,040 | 100.00                  | -                                                | 100.00                                                                                                                                | -                          | -                               | -                                                | 75,41,040                       |                                                                                  |

\*The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

**Notes:**

- As on date of this 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 March 04, 2025 and January 30, 2025 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. 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 Red Herring Prospectus: -

| Sr. No. | Names of Shareholders     | Shares held (Face Value of ₹ 10 each) | % Pre-Issue paid up Share Capital |
|---------|---------------------------|---------------------------------------|-----------------------------------|
| 1.      | Mehul Pravinchandra Joshi | 66,53,520                             | 88.23                             |
| 2.      | Bhakti Mehul Joshi        | 6,50,000                              | 8.62                              |
|         | <b>Total</b>              | <b>73,03,520</b>                      | <b>96.85</b>                      |

b) Ten days prior to the date of filing of this Red Herring Prospectus: -

| Sr. No. | Names of Shareholders     | Shares held (Face Value of ₹ 10 each) | % Pre-Issue paid up Share Capital |
|---------|---------------------------|---------------------------------------|-----------------------------------|
| 1.      | Mehul Pravinchandra Joshi | 66,53,520                             | 88.23                             |
| 2.      | Bhakti Mehul Joshi        | 6,50,000                              | 8.62                              |
|         | <b>Total</b>              | <b>73,03,520</b>                      | <b>96.85</b>                      |

c) One Year prior to the date of filing of this Red Herring Prospectus: -

| Sr. No. | Names of Shareholders     | Shares held (Face Value of ₹ 10 each) | % Pre-Issue paid up Share Capital |
|---------|---------------------------|---------------------------------------|-----------------------------------|
| 1.      | Mehul Pravinchandra Joshi | 2,65,020                              | 91.37                             |
| 2.      | Bhakti Mehul Joshi        | 25,000                                | 8.62                              |
|         | <b>Total</b>              | <b>2,90,020</b>                       | <b>99.99</b>                      |

\*Details of shares held on 23<sup>rd</sup> July, 2024 and percentage held has been calculated based on the paid-up capital of our Company as on 23<sup>rd</sup> July, 2024

d) Two Years prior to the date of filing of this Red Herring Prospectus: -

| Sr. No. | Names of Shareholders              | Shares held (Face Value of ₹ 10 each) | % Pre-Issue paid up Share Capital |
|---------|------------------------------------|---------------------------------------|-----------------------------------|
| 1.      | Pravinchandra Girdharlal Joshi     | 99,100                                | 34.17                             |
| 2.      | Usha Pravinchandra Joshi           | 30,000                                | 10.34                             |
| 3.      | Mehul Pravinchandra Joshi          | 50,910                                | 17.55                             |
| 4.      | Raksha Joshi                       | 45,000                                | 15.52                             |
| 5.      | Pravinchandra Girdharlal Joshi HUF | 40,000                                | 13.79                             |
| 6.      | Bhakti Mehul Joshi                 | 25,000                                | 8.62                              |
|         | <b>Total</b>                       | <b>2,90,010</b>                       | <b>99.99</b>                      |

\*Details of shares held on 23<sup>rd</sup> July, 2023 and percentage held has been calculated based on the paid-up capital of our Company as on 23<sup>rd</sup> July, 2023.

11. Our Company has not made any Initial Public Issue of specified securities in the preceding two years.
12. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, Right issue or in any other manner during the period commencing from the date of the Red Herring Prospectus until the Equity

Shares of our Company 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 split/ 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.

### 13. Capital Build-up in respect of Shareholding of our Promoters

As on the date of this Red Herring Prospectus, Our Promoters, Mehul Pravinchandra Joshi and Bhakti Mehul Joshi collectively hold 73,03,520 Equity Shares of face value of Rs. 10 each of our Company. None of the Equity Shares held by our Promoters is subject to any pledge.

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

| Date of Allotment and made fully paid up/ Transfer | No. of Equity Shares | Face Value Per Share (₹) | Issue/ Acquisition / Transfer Price (₹) | Consideration   | Nature of Issue                                                 | Pre-Issue Shareholding % | Post-Issue Shareholding % |
|----------------------------------------------------|----------------------|--------------------------|-----------------------------------------|-----------------|-----------------------------------------------------------------|--------------------------|---------------------------|
| <b>Mehul Pravinchandra Joshi</b>                   |                      |                          |                                         |                 |                                                                 |                          |                           |
| Upon Incorporation                                 | 10                   | 10                       | 10                                      | Cash            | Subscriber to MOA                                               | Negligible               | [●]                       |
| July 31, 1996                                      | 15,000               | 10                       | 10                                      | Cash            | Further Allotment                                               | 0.20                     | [●]                       |
| July 10, 2001                                      | 10,000               | 10                       | 10                                      | Cash            | Further Allotment                                               | 0.13                     | [●]                       |
| December 31, 2001*                                 | 25,900               | 10                       | 10                                      | Cash            | Acquisition by way of Transmission of Shares <sup>(a)</sup>     | 0.34                     | [●]                       |
| October 03, 2014*                                  | (10)                 | 10                       | 10                                      | Cash            | Disposal of shares by way of Transfer <sup>(b)</sup>            | Negligible               | [●]                       |
| June 04, 2018                                      | 10                   | 10                       | 10                                      | Cash            | Acquisition by way of Transfer of Shares <sup>(c)</sup>         | Negligible               | [●]                       |
| April 24, 2023                                     | 2,14,110             | 10                       | NA                                      | Other than cash | Acquisition by way of Transfer of Shares as Gift <sup>(d)</sup> | 2.84                     | [●]                       |
| October 24, 2024                                   | 66,25,500            | 10                       | NA                                      | Other than Cash | Bonus Issue in the ratio of 25:1                                | 87.86                    | [●]                       |
| July 02, 2025                                      | (2,37,000)           | 10                       | 48                                      | Cash            | Disposal of shares by                                           | (3.14)                   | [●]                       |

|                           |                  |    |    |                 |                                                         |              |            |
|---------------------------|------------------|----|----|-----------------|---------------------------------------------------------|--------------|------------|
|                           |                  |    |    |                 | way of Transfer <sup>(e)</sup>                          |              |            |
| <b>Total (A)</b>          | <b>66,53,520</b> |    |    |                 |                                                         | <b>88.23</b> | <b>[•]</b> |
| <b>Bhakti Mehul Joshi</b> |                  |    |    |                 |                                                         |              |            |
| April 01, 2008*           | 25,000           | 10 | 10 | Cash            | Acquisition by way of Transfer of Shares <sup>(f)</sup> | 0.33         | <b>[•]</b> |
| October 24, 2024          | 6,25,000         | 10 | NA | Other than Cash | Bonus Issue in the ratio of 25:1                        | 8.29         | <b>[•]</b> |
| <b>Total (B)</b>          | <b>6,50,000</b>  |    |    |                 |                                                         | <b>8.62</b>  | <b>[•]</b> |
| <b>Grand Total</b>        | <b>73,03,520</b> |    |    |                 |                                                         | <b>96.85</b> | <b>[•]</b> |

Note: None of the Shares has been pledged by our Promoters.

\*\* We have been unable to trace the share transfer deeds with respect to these share transfers. Accordingly, the information regarding such allotments has been derived based on the available Minutes, share certificates and the limited information obtained from the physical search report prepared by M/s. Nagdev & Associates, Practicing Company Secretaries, dated January 9, 2025 ("ROC Search Report"). For further details, please refer to chapter titled "Risk Factor - We have been unable to trace some of our secretarial records including Annual Returns, forms filed for share allotments, director appointment forms, share transfer forms and other forms filed with ROC prior to FY 2005." on page 36 of this RHP.

- (a) Details of Acquisition by Mehul Pravinchandra Joshi by way of Transmission of 29,500 equity shares having face value of Rs. 10 each:

| Sr. No. | Date of Transfer  | Name of Transferor | No. of Share Transfer |
|---------|-------------------|--------------------|-----------------------|
| 1.      | December 31, 2001 | Muliben Joshi      | 29,500                |
|         |                   | <b>Total</b>       | <b>29,500</b>         |

- (b) Details of Disposal of shares by Mehul Pravinchandra Joshi by way of Transfer of 10 equity shares having face value of Rs. 10 each:

| Sr. No. | Date of Transfer | Name of Transferee   | No. of Share Transfer |
|---------|------------------|----------------------|-----------------------|
| 1.      | October 03, 2014 | Saroj Rajendra Parab | 10                    |
|         |                  | <b>Total</b>         | <b>10</b>             |

- (c) Details of Acquisition by Mehul Pravinchandra Joshi by way of Transfer of 10 equity shares having face value of Rs. 10 each:

| Sr. No. | Date of Transfer | Name of Transferor | No. of Share Transfer |
|---------|------------------|--------------------|-----------------------|
| 1.      | June 04, 2018    | Vijay Sheth        | 10                    |
|         |                  | <b>Total</b>       | <b>10</b>             |

- (d) Details of Acquisition by Mehul Pravinchandra Joshi by way of Transfer as Gift of 2,14,110 equity shares having face value of Rs. 10 each:

| Sr. No. | Date of Transfer | Name of Transferor             | No. of Share Transfer |
|---------|------------------|--------------------------------|-----------------------|
| 1.      | April 24, 2023   | Pravinchandra Girdharlal Joshi | 99,100                |
| 2.      | April 24, 2023   | Usha Pravinchandra Joshi       | 30,000                |
| 3.      | April 24, 2023   | Raksha Joshi                   | 45,000                |
| 4.      | April 24, 2023   | Pravinchandra Joshi HUF        | 40,000                |
| 5.      | April 24, 2023   | Pooja Joshi                    | 10                    |
|         |                  | <b>Total</b>                   | <b>2,14,110</b>       |

- (e) Details of Disposal of shares by Mehul Pravinchandra Joshi by way of Transfer of 2,37,000 equity shares having face value of Rs. 10 each:

| Sr. No. | Date of Transfer | Name of Transferee                                     | No. of Share Transfer |
|---------|------------------|--------------------------------------------------------|-----------------------|
| 1.      | July 02, 2025    | Amrut Bharat Opportunities Fund - Series I             | 75,000                |
| 2.      | July 02, 2025    | Sunrise India Growth Trust - Sunrise India Growth Fund | 1,00,000              |
| 3.      | July 02, 2025    | Ms. Priya Vijay Thakkar                                | 62,000                |
|         |                  | <b>Total</b>                                           | <b>2,37,000</b>       |

(f) Details of Acquisition by Bhakti Mehul Joshi by way of Transfer of 25,000 equity shares having face value of Rs. 10 each:

| Sr. No. | Date of Transfer | Name of Transferor            | No. of Share Transfer |
|---------|------------------|-------------------------------|-----------------------|
| 1.      | April 01, 2008   | Prankuvar Vajeshankar Purohit | 10,000                |
| 2.      | April 01, 2008   | Vajeshankar Keshavlal Purohit | 15,000                |
|         |                  | <b>Total</b>                  | <b>25,000</b>         |

14. The average cost of acquisition or subscription of shares by our Promoters is set forth in the table below:

| Sr. No. | Name of the Promoters     | No. of Shares held (face value of Rs. 10 each) | Average cost of Acquisition (in ₹) |
|---------|---------------------------|------------------------------------------------|------------------------------------|
| 1.      | Mehul Pravinchandra Joshi | 66,53,520                                      | 0.00                               |
| 2.      | Bhakti Mehul Joshi        | 6,50,000                                       | 0.38                               |

Note: On July 02, 2025, Mr. Mehul Pravinchandra Joshi, Promoter of the Company, sold 2,37,000 equity shares for a total consideration of ₹ 1,13,76,000. As the sale proceeds exceeded the aggregate original cost of acquisition of the said shares, the cost of acquisition for the equity shares currently held by the Promoter is considered to be NIL.

15. Shareholding of Promoters & Promoter Group

Following are the details of pre and post Issue shareholding of persons belonging to the category “Promoters and Promoter Group”:

| Sr. No | Names                          | Pre IPO          |               | Post IPO         |               |
|--------|--------------------------------|------------------|---------------|------------------|---------------|
|        |                                | Shares Held      | % Shares Held | Shares Held      | % Shares Held |
|        | <b>Promoters (A)</b>           |                  |               |                  |               |
| 1.     | Mehul Pravinchandra Joshi      | 66,53,520        | 88.23         | 66,53,520        | [●]           |
| 2.     | Bhakti Mehul Joshi             | 6,50,000         | 8.62          | 6,50,000         | [●]           |
|        | <b>Sub Total (A)</b>           | <b>73,03,520</b> | <b>96.85</b>  | <b>73,03,520</b> | <b>[●]</b>    |
|        |                                |                  |               |                  |               |
|        | <b>Promoter Group (B)</b>      |                  |               |                  |               |
| 3.     | Pravinchandra Girdharlal Joshi | 258              | 0.00          | 258              | [●]           |
| 4.     | Usha Pravinchandra Joshi       | 258              | 0.00          | 258              | [●]           |
|        | <b>Sub Total (B)</b>           | <b>516</b>       | <b>0.01</b>   | <b>516</b>       | <b>[●]</b>    |
|        | <b>Total (A) + (B)</b>         | <b>73,04,036</b> | <b>96.86</b>  | <b>73,04,036</b> | <b>[●]</b>    |

16. 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 Red Herring Prospectus.



| Date of Allotment/ Transfer | Name of Shareholder       | No. of Equity Share (face value of Rs. 10 each) | % of Pre issue Capital | Allotment/ Acquire/ Transfer | Category of Allottees (Promoters/ Promoter Group/ Director) |
|-----------------------------|---------------------------|-------------------------------------------------|------------------------|------------------------------|-------------------------------------------------------------|
| July 02,2025                | Mehul Pravinchandra Joshi | 2,37,000                                        | 3.14                   | Transfer of Equity shares    | Promoter & Director                                         |

17. None of our Promoters, Promoter Group, our Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Red Herring Prospectus.

#### 18. Details of Promoters' Contribution Locked-in for Three Years

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20.00% of the post Issue capital held by our Promoters shall be considered as Promoter's Contribution ("**Promoters Contribution**") and shall be locked-in for a period of three years from the date of allotment of Equity shares issued pursuant to this Issue. The lock in of Promoter's 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 Red Herring Prospectus, our Promoters hold 73,03,520 Equity Shares having face value of Rs. 10 each constituting [●] % of the post-issued, subscribed and paid up Equity Share Capital of our Company, which are eligible for the Promoters' contribution.

Our Promoter, Mehul Pravinchandra Joshi have given written consent to include 21,20,000 Equity Shares having face value of Rs. 10 each held by him and subscribed by him as part of Promoters Contribution constituting 20.10% of the post Issue Equity Shares of our Company. Further, he has 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.

| Date of Allotment/ Transfer and made fully Paid Up | No. of Equity Shares locked-in | Face Value Per Share (₹) | Issue/ Acquisition/ Transfer Price (₹) | Nature of transaction | Post-Issue Shareholding % | Lock in Period |
|----------------------------------------------------|--------------------------------|--------------------------|----------------------------------------|-----------------------|---------------------------|----------------|
| <b>Mehul Pravinchandra Joshi</b>                   |                                |                          |                                        |                       |                           |                |
| October 24, 2024                                   | 21,20,000                      | 10                       | Nil                                    | Bonus Issue           | 20.10%                    | 3 years        |
| <b>Total</b>                                       | <b>21,20,000</b>               |                          |                                        |                       | <b>20.10%</b>             |                |

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 , in excess of the Minimum Promoters' Contribution, will be subject to a lock-in period as below:-

- 50% of the shareholding (i.e. 25,91,760 shares having Face value of Rs. 10 each) held by the Promoters, in excess of minimum promoters' contribution, shall be locked in for two years from the date of allotment in this Initial Public Offer and
- remaining 50% of the shareholding (i.e. 25,91,760 shares having Face value of Rs. 10 each) held by the Promoters, in excess of minimum promoters' contribution, shall be locked in for one year from the date of allotment in this Initial Public Offer.

Further, 516 equity shares having Face value of Rs. 10 each as held by the Promoter Group members and 2,37,004 equity shares having Face value of Rs. 10 each as held by the public shareholders shall be locked in for a period of one year from the date of allotment in this Issue.

**Eligibility of Share for “Minimum Promoters Contribution in terms of clauses of Regulation 237(1) of SEBI (ICDR) Regulations, 2018**

| Reg. No.         | Promoters’ Minimum Contribution Conditions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Eligibility Status of Equity Shares forming part of Promoter’s 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                                                                                                                                                                                                                                                                                                                                      | The minimum Promoter’s contribution does not consist of such Equity Shares. <b>Hence Eligible</b>                                                                             |
| 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                                                                                                                                                                                                                                                                                   | The minimum Promoter’s contribution does not consist of such Equity Shares. <b>Hence Eligible</b>                                                                             |
| 237 (1) (b)      | Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being Issued to public in the initial public Issue                                                                                                                                                                                                                                                                                                                                                                | The minimum Promoter’s contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>                                                                            |
| 237(1) (c)       | Specified securities allotted to promoters 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, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible | The minimum Promoter’s contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>                                                                            |
| 237 (1) (d)      | Specified securities pledged with any creditor.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Our Promoters have not Pledged any shares with any creditors. Accordingly, the minimum Promoter’s contribution does not consist of such Equity Shares. <b>Hence Eligible.</b> |

**Explanation:** It is clarified that the price per share for determining securities ineligible for minimum promoters’ contribution has been determined after adjusting the same for corporate actions such as share split, bonus issue, etc. undertaken by the issuer.

**Details of Promoters’ Contribution Locked-in for One Year and Two years:**

In terms of Regulation 238(b) of the SEBI (ICDR) Regulations, 2018, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, 50% of pre-issue equity share capital held by promoters constituting 25,91,760 Equity Shares of face value of Rs. 10 each shall be locked in for a period of two years and remaining 50.00% of pre-issue equity shares capital held by promoters constituting 27,10,260 Equity Shares of face value of ₹10/- each shall be locked-in for a period of one year from the date of allotment of Equity Shares in this Issue.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, the Equity Shares which are subject to lock-in shall carry inscription ‘**non-transferable**’ along with the Ratio of specified non-transferable period mentioned in the

face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

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

1. In terms of Regulation 242 of the SEBI (ICDR) Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution or a systemically important non-banking finance company or a housing finance company as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter's contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
2. In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 239 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
3. Further in terms of Regulation 243 of the SEBI (ICDR) Regulations, the specified securities held by the promoters and locked-in as per regulation 238 may be transferred to another promoters or any person of the Promoter Group or a new promoters or a person in control of the issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
19. Neither, we nor our Promoters, Directors and the BRLM to this Issue have entered into any buyback and/ or standby arrangements and/ or similar arrangements for the purchase of our Equity Shares from any person.
20. As on the date of this Red Herring Prospectus, the entire Issued Share, Subscribed and Paid-up 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.
21. The BRLM i.e. Seren Capital Private Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of this Red Herring Prospectus.
22. As on the date of this Red Herring Prospectus, we do not have any Employees Stock Option Scheme/ Employees Stock Purchase Scheme and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan from the proposed Issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
23. We have 11(Eleven) shareholders as on the date of filing of this Red Herring Prospectus.
24. As on the date of filing of this Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Issue
25. Our Company has not raised any bridge loan against the proceeds of the Issue.
26. As on the date of this Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are subject to any pledge.
27. We hereby 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 Red Herring

Prospectus until the Equity Shares Issued have been listed or application money unblocked on account of failure of Issue.

28. An over-subscription to the extent of 1% of the Issue, subject to the maximum post Issue paid up capital of Rs. 25 Cr., can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 1% of the Issue, as a result of which, the post-Issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to 3-year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
29. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
30. Our Company shall comply with such disclosure and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.
31. There are no Equity Shares against which depository receipts have been issued.
32. Other than the Equity Shares, there is no other class of securities issued by our Company.
33. There are no safety net arrangements for this public Issue.
34. As per RBI regulations, OCBs are not allowed to participate in this Issue.
35. Our Promoters and Promoter Group will not participate in this Issue.
36. This Issue is being made through Book Building Process.
37. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
38. 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.
39. No person connected with the Issue shall Issue 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.

We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of filing the Red Herring Prospectus with the Registrar of companies and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

## **OBJECTS OF THE ISSUE**

Our Company intends to utilize the proceeds of the net issue to meet the following objects:

1. Funding of capital expenditure towards setup of a new manufacturing facility;
2. Funding of Working Capital Requirements; and
3. General Corporate Purpose

*(Collectively referred as the “Objects”)*

In addition, we believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the BSE SME platform. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

The main objects clause of our Memorandum enables our Company to undertake its existing activities and the activities for which the funds are being raised by our Company in the Fresh Issue.

### **Net Proceeds**

The details of the Net Proceeds are set forth below:

| <b>Particulars</b>                                | <b>Amount (₹ in Lakhs)</b> |
|---------------------------------------------------|----------------------------|
| Gross Proceeds of the Issue                       | [●]                        |
| Less: Issue related expenses in relation to Issue | [●]                        |
| Net Proceeds                                      | [●]                        |

### **Requirement of Funds and Utilization of Net Proceeds**

The Net Proceeds are proposed to be used in accordance with the details as set forth below:

| <b>S. No.</b> | <b>Particulars</b>                                                           | <b>Amount<br/>(₹ in Lakhs)</b> |
|---------------|------------------------------------------------------------------------------|--------------------------------|
| 1.            | Funding of capital expenditure towards setup of a new manufacturing facility | 1463.48                        |
| 2.            | Funding of Working Capital Requirements                                      | 400.00                         |
| 3.            | General Corporate Purpose                                                    | [●]                            |
|               | <b>Total</b>                                                                 | [●]                            |

### **Means of Finance**

#### **(i) Funding of capital expenditure towards setup of a new manufacturing facility –**

The fund requirements for the capital expenditure towards setup of a new manufacturing facility is proposed to be entirely funded from the Net Proceeds and internal accruals and hence, no amount is proposed to be raised through any other means of finance. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable internal accruals.

#### **(ii) Funding of Working Capital Requirements–**

The fund requirements for the working capital requirements is proposed to be entirely funded from the Net Proceeds, existing sanctioned bank borrowings and internal accruals and hence, no amount is proposed to be raised through any other means of finance. Accordingly, we confirm that there are no requirements to make firm arrangements of finance

under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable internal accruals.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management. For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 26 of this Red Herring Prospectus.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "**Risk Factors**" beginning on page 26 of this Red Herring Prospectus.

#### **Details of Utilization of Net Proceeds**

The details of utilization of the Net Proceeds are set forth herein below:

##### **a) Funding of capital expenditure towards setup of a new manufacturing facility**

We are primarily engaged in the manufacturing of masterbatches, which are used in the plastics industry to impart colour and enhance the functional properties of plastic products from our production facilities (Unit-I and Unit-II) within the Tungareshwar Industrial Estate, Sativali, Vasai East, Palghar, Mumbai, Maharashtra. These units have a total built up area of around 3200 Sq. ft. each, with an installed capacity of 12,84,000 kg. As on March 2025, our facilities (calculated on combined basis) are operating at 86.37% capacity utilization (Source: Chartered Engineer Report dated July 15, 2025, issued by Karan Rajendra Mody, Chartered Engineer, AKV Consulting LLP).

To support our growth objectives, we plan to expand our manufacturing capabilities and infrastructure to enhance production capacity. We propose to establish a dedicated manufacturing unit at Survey No. 38/2 situated at village Majivali, Taluka Vasai, District Palghar, Maharashtra which will have approximately an area admeasuring 4156 sq. mtrs. This will enhance our installed capacity from 12,84,000 kg p.a. to an estimated 21,60,000 kg p. a. (Source: Chartered Engineer Report dated July 15, 2025, issued by Karan Rajendra Mody, Chartered Engineer, AKV Consulting LLP). This expansion will enable us to secure new orders from existing and potential customers, capitalize on emerging market opportunities and drive revenue growth.

Further, we plan to expand our product portfolio by introducing polymer compounds alongside existing masterbatches, targeting new as well as the existing customer base for operational synergy. Polymer compounds are ready-to-use plastic granules formulated for specific industry requirements. These compounds are used in automotive, engineering plastics, flame-retardant applications, thermoplastic elastomers and electrical cables, providing properties such as mechanical strength, fire resistance and electrical insulation.

To achieve this objective, the Board, in its meeting held on March 12, 2025, approved the expansion plan for a new manufacturing facility at village Majivali, Taluka Vasai, District Palghar, Maharashtra, for the establishment of the

proposed new manufacturing facility. The development of this proposed facility will require investment in civil construction, plant and machinery and other related infrastructure. We propose to utilize a portion of the net issue proceeds amounting to ₹ 1463.48 lakhs towards civil construction and procurement of plant and machinery, while the cost of land acquisition, amounting to ₹90.00 lakhs, has already been funded from internal accruals. We have also allocated a contingency amount of Rs. 103.44 lakhs which will be covered through internal accruals to cover potential expenses arising from increase in machinery costs (if any), land development charges and obtaining permissions, associated transportation & installation charges and to meet expenditure related to furniture and fixtures. The total estimated cost of the new facility is ₹ 2172.16 lakhs, out of which ₹ 1463.48 lakhs are to be funded from the net issue proceeds.

### Estimated Proposed Project Cost

The total estimated cost of the proposed manufacturing facility is ₹ 2172.16 lakhs, as per the Project Report dated July 18, 2025, obtained by our Company from AKV Consulting LLP, Chartered Engineers (“Project Report”). Our Company proposes to utilize an amount of up to ₹ 1463.48 lakhs from the Net Proceeds for funding capital expenditure requirements of our Company towards setting up the Proposed Facility.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds for the Proposed Project as described herein are based on our current business plan, management estimates, current and valid quotations from suppliers. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution.

The total estimated cost for setting up the Proposed Facility comprises the following:

| <i>(Rs. in lakhs)</i> |                         |                |                                               |                                             |                               |
|-----------------------|-------------------------|----------------|-----------------------------------------------|---------------------------------------------|-------------------------------|
| Sr. No.               | Particulars             | Estimated Cost | Funds already deployed from internal accruals | Funds to be deployed from internal accruals | To be met from issue proceeds |
| 1                     | Land*                   | 90.00          | 90.00                                         | -                                           | -                             |
| 2                     | Civil Construction Work | 944.00         | -                                             | 183.44                                      | 760.56                        |
| 3                     | Plant & Machinery       | 1034.72        | -                                             | 331.80                                      | 702.92                        |
| 4                     | Contingencies**         | 103.44         | -                                             | 103.44                                      | -                             |
|                       | <b>Total cost</b>       | <b>2172.16</b> | <b>90.00</b>                                  | <b>618.68</b>                               | <b>1463.48</b>                |

*\*The Company has acquired the land through conveyance deed dated March 13, 2025 and rectification deed dated March 27, 2025, at an amount of Rs. 90.00 lakhs through internal accruals.*

*\*\*Our Company has allocated a contingency amount of 5% of the project cost i.e. ₹ 103.44 Lakhs which will be covered through internal accruals to cover potential expenses arising from increases in machinery costs (if any), land development charges and obtaining permissions, associated transportation & installation charges and expense related to furniture and fixtures and other utilities.*

### Break-up of the Estimated Cost

#### *Land*

The proposed manufacturing facility will be setup on the land parcel situated at Survey No. 38/2, Village Majivali, Taluka Vasai, District Palghar-421303 Maharashtra situated on plot area admeasuring to 4156 sq. mtr. This land has been recently purchased by us from its previous owners namely, Abdul Qadir Abdul Hamid Shaikh, Abdul Shahid Abdul Hamid Shaikh, Javed Ahmed Malik, Pardeep Kumar Basantilal Jain, Lalan Laxmiprasad Gond and Sanjarali Hamidullah Choudhari at an amount of Rs. 90.00 Lakhs via conveyance deed dated March 13, 2025 and rectification deed dated March 27, 2025. We have obtained a land valuation report from AKV Consulting LLP, Chartered Engineers, which determined the fair market value of the aforementioned land to be ₹90.00 lakhs.

As per the project report dated July 18, 2025, prepared by AKV Consulting LLP, Chartered Engineers, the land is designated within 'Green Zone-2' and it's a non-Agricultural land. The said land is free from any encumbrance. Further, according to the Non-Agricultural (NA) order issued by Revenue department through collector office of palghar dated Dec 27, 2024, the subject survey number falls under Green Zone -2 and suitable permission will be required to apply by the company for construction of the plant on the said plot from Revenue Department, Palghar, Town Planning Department (Source: Project report)

Our Promoters, Directors, Key Managerial Personnel or Senior Management Personnel did not have any relationship with the previous owners ("sellers") from which the land has been acquired by us.

### **Civil Construction work**

The cost for civil construction includes foundation and RCC structural work, including footings, columns, beams and slabs, along with brickwork, plastering and flooring. The proposed construction will cover an area of approximately 25,000 sq. ft. and will also include the installation of doors, windows, plumbing, concealed electrical wiring, painting and waterproofing. All the construction activities will be executed in accordance with approved structural and architectural designs, ensuring that the facility is fully equipped for efficient manufacturing operations.

*Set out below is a break-up of the estimated cost towards civil construction work:*

| (Rs. In Lakhs) |                                                                                                                           |                                                                                                                                              |               |         |           |              |
|----------------|---------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------|-----------|--------------|
| S. No          | Particulars                                                                                                               | Quotation Details                                                                                                                            | Area (Sq. ft) | Rate    | Unit      | Amount (Rs.) |
| 1.             | Sub-Structure<br>Footings & Foundation Plinth Area (Isolated Footing/ Depth from OGL up to 3 mtr & Plinth Ht up to 0.9mm) | Quotation dated March 11, 2025 from T-square Projects Bopal, Ahmedabad. (valid for 150 Days from the date of quotation i.e. till 08 Aug.'25) | 25000.00      | 950.00  | Rs. /Sqft | 237.50       |
| 2.             | Ground Floor (20')                                                                                                        |                                                                                                                                              | 25000.00      | 2250.00 | Rs. /Sqft | 562.50       |
| Total          |                                                                                                                           |                                                                                                                                              |               |         |           | 800.00       |
| GST@18%        |                                                                                                                           |                                                                                                                                              |               |         |           | 144.00       |
| Grand Total    |                                                                                                                           |                                                                                                                                              |               |         |           | 944.00       |

### **Notes:**

- We have considered the above quotation for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier may vary. Further, the estimated cost and related fund requirements have not been appraised by any bank or financial institution. In case of any shortfall of funds, the same shall be met through internal accruals/borrowings.
- The above quotation received from the vendor is valid as on the date of this Red Herring Prospectus. However, we have not entered into any definitive agreements with such vendor and there can be no assurance that the same vendor would be engaged to eventually initiate the civil construction work.

### **Plant and Machinery**

The estimated cost towards the Plant and Machinery is Rs. 1034.72 Lakhs, out of which Rs. 702.92 lakhs will be funded from the Net Proceeds and remaining will be funded through internal accruals. A detailed break-up of such estimated cost towards purchase of plant and machinery is set forth below:

| <b>(Rs. In Lakhs)</b> |                          |            |                                                                                                    |                         |            |                     |
|-----------------------|--------------------------|------------|----------------------------------------------------------------------------------------------------|-------------------------|------------|---------------------|
| <b>S. No</b>          | <b>Machinery Details</b> | <b>Qty</b> | <b>Quotation details</b>                                                                           | <b>Quotation Amount</b> | <b>GST</b> | <b>Total Amount</b> |
| 1.                    | Extruder (Frame, Motor,  | 3          | Quotation dated July 18, 2025 from Steer Engineering Pvt. Ltd. (quotation valid till 150 days from | 561.00                  | 100.98     | 661.98              |



|              |                                                                                                       |   |                                                                                                                                              |               |               |                |
|--------------|-------------------------------------------------------------------------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|----------------|
|              | Gearbox and Process section)                                                                          |   | date of quotation i.e. December 15, 2025)                                                                                                    |               |               |                |
| 2.           | Volumetric Feeder VF 50- Steer Make                                                                   | 3 | Quotation dated July 18, 2025 from Steer Engineering Pvt. Ltd. (quotation valid till 150 days from date of quotation i.e. December 15, 2025) | 21.30         | 3.83          | 25.13          |
| 3.           | Spare Parts of Shafts with elements                                                                   | 3 | Quotation dated July 18, 2025 from Steer Engineering Pvt. Ltd. (quotation valid till 150 days from date of quotation i.e. December 15, 2025) | 52.05         | 9.37          | 61.42          |
| 4.           | Transformer (950 KVA/22KV HT. Tr, Installation with connected load 950 HP (750 KW) Max Demand 700 KVA | 1 | Quotation dated March 17, 2025 from Pradhan Electrical Works. (quotation valid till 150 days from date of quotation i.e. August 14, 2025)    | 102.81        | 11.32         | 114.13         |
| 5.           | Solar Plant (420 KW on grid interactive)                                                              | 1 | Quotation dated March 12, 2025 from RBSM Electronics Pvt. Ltd. (quotation valid till 150 days from date of quotation i.e. August 09, 2025)   | 151.20        | 20.86         | 172.06         |
| <b>Total</b> |                                                                                                       |   |                                                                                                                                              | <b>888.36</b> | <b>146.36</b> | <b>1034.72</b> |

**Notes:**

- a) We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary. Further, the estimated cost and related fund requirements have not been appraised by any bank or financial institution. In case of any shortfall of funds, the same shall be met through internal accruals/borrowings.
- b) All quotations received from the vendors mentioned above are valid as on the date of this Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machineries/ equipment or at the same costs.
- c) We are not acquiring any second-hand machinery.
- d) The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of machineries proposed to be acquired by us at the actual time of purchase, resulting in increase in the estimated cost. Further, cost will be escalated on account of Packing & Forwarding, Transportation, Transit Insurance, Octroi / Entry tax if any etc. Such cost escalation will be addressed through the contingency fund, which has an allocation of Rs. 103.44 lakhs. In the event of a shortfall in the contingency fund, the additional amount will be met through internal accruals.

**Means of finance of the project**

The total estimated cost for the proposed manufacturing unit is ₹ 2172.16 lakhs. We intend to fund the cost of the project as follows:

(Rs. In Lakhs)

| Sr. No. | Particulars             | Estimated Cost | Funds already deployed from internal accruals | Funds to be deployed from internal accruals | To be met from proceeds |
|---------|-------------------------|----------------|-----------------------------------------------|---------------------------------------------|-------------------------|
| 1       | Land                    | 90.00          | 90.00                                         | -                                           | -                       |
| 2       | Civil Construction Work | 944.00         | -                                             | 183.44                                      | 760.56                  |
| 3       | Plant & Machinery       | 1034.72        | -                                             | 331.80                                      | 702.92                  |
| 4       | Contingencies*          | 103.44         | -                                             | -103.44                                     |                         |
|         | <b>Total cost</b>       | <b>2172.16</b> | <b>90.00</b>                                  | <b>618.68</b>                               | <b>1463.48</b>          |

\*Our Company has allocated a contingency amount of 5% of the project cost i.e. ₹ 103.44 Lakhs which will be covered through internal accruals to cover potential expenses arising from increases in machinery costs (if any), land development charges and obtaining permissions, associated transportation & installation charges and expense related to furniture and fixtures, electrical appliances and other utilities.

#### **Proposed schedule of implementation of the Proposed Project:**

The proposed schedule of activities in respect of the Proposed Project are as follows:

| Particulars                                                              | Estimated date of commencement | Estimated date of completion |
|--------------------------------------------------------------------------|--------------------------------|------------------------------|
|                                                                          | Commencement                   | Completion                   |
| Land Survey, Topography, Land Development Work and obtaining permissions | July'2025                      | August'2025                  |
| Building & Civil Works                                                   | September'2025                 | December'2025                |
| Order of Machinery                                                       | October'2025                   |                              |
| Delivery of Machine                                                      | January'2026                   |                              |
| Installation of Machinery                                                | February'2026                  |                              |
| Trial run                                                                | February'2026                  |                              |
| Commercial operation                                                     | March'2026                     |                              |

#### **Government approvals**

In relation to the proposed project, we will require to apply and obtain certain approvals as provided in the table below.

| Sr. No. | List of Major Approvals                                                                               | Stage at which approvals are required                     |
|---------|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| 1.      | Permission to construct in Green Zone from Revenue Department, Palghar, Town Planning Department      | Prior Commencement of Construction                        |
| 2.      | Consent to Establish from State pollution control Board                                               | Already Obtained                                          |
| 3.      | NOC stipulating Fire protection and firefighting requirements from Director Maharashtra Fire Services | Before Installation & Commissioning of the machines       |
| 4.      | Building completion Certificate, Gram Panchayat                                                       | Before Beginning of Commercial Production                 |
| 5.      | Consent to operate from State Pollution Control Board                                                 | Before Commercial Commissioning of the factory operations |
| 6.      | Factory License, Joint Director Industrial Safety and Health, Maharashtra                             | Before Commercial Commissioning of the factory operations |

As per the Project Report dated July 18, 2025 issued by AKV Consulting and LLP, Chartered Engineers

Power and water - The requirements for the power will be met from the local state electricity board Mahavitaran (Maharashtra State Electricity Distribution Co. Ltd.). The requirement for water will be met from external sources.

**b) Funding of working capital requirements**

With the expansion of the business company will be in the need of additional working capital requirements. We fund a majority of our working capital requirements in the ordinary course of business from banks facilities and internal accruals. Our Company requires additional working capital for funding its incremental working capital requirements and releasing the internal accruals deployed in working capital.

Our Company proposes to utilize ₹ 200.00 lakhs of the Net Proceeds in FY 2025-26 and ₹ 200.00 lakhs of the Net Proceeds in FY 2026-27 towards our Company's working capital requirements. The balance portion of our Company working capital requirement shall be met from the working capital facilities availed from bank and internal accruals. The incremental and proposed working capital requirements and key assumptions with respect to the determination of the same are mentioned below:

*Details of estimation of working capital requirement are as follows:*

| S. No.     | Particulars                            | FY-23         | FY-24         | FY-25         | FY-26           | FY-27           |
|------------|----------------------------------------|---------------|---------------|---------------|-----------------|-----------------|
|            |                                        | Restated      |               |               | Projected       | Projected       |
| <b>I</b>   | <b>Current Assets</b>                  |               |               |               |                 |                 |
|            | Inventories                            | 145.63        | 183.91        | 208.16        | 199.69          | 267.59          |
|            | Trade Receivables                      | 356.61        | 338.69        | 554.95        | 704.63          | 986.48          |
|            | Short-Term Loans and Advances          | 22.67         | 32.72         | 50.30         | 95.57           | 105.13          |
|            | Other Current Assets                   | 1.97          | 3.28          | 1.13          | 5.00            | 6.00            |
|            | <b>Total (A)</b>                       | <b>526.89</b> | <b>558.60</b> | <b>814.55</b> | <b>1,004.89</b> | <b>1,365.20</b> |
| <b>II</b>  | <b>Current Liabilities</b>             |               |               |               |                 |                 |
|            | Trade Payables                         | 136.07        | 85.53         | 30.71         | 49.71           | 67.14           |
|            | Other Current Liabilities              | 60.66         | 67.14         | 98.24         | 64.00           | 65.92           |
|            | Short Term Provisions                  | 21.40         | 11.67         | 25.77         | 26.34           | 27.48           |
|            | <b>Total (B)</b>                       | <b>218.13</b> | <b>164.34</b> | <b>154.72</b> | <b>140.05</b>   | <b>160.54</b>   |
| <b>III</b> | <b>Total Working Capital Gap (A-B)</b> | <b>308.76</b> | <b>394.26</b> | <b>659.83</b> | <b>864.84</b>   | <b>1,204.66</b> |
| <b>IV</b>  | <b>Funding Pattern</b>                 |               |               |               |                 |                 |
| <b>A</b>   | From Bank                              | -             | 36.16         | -             | 100.00          | 150.00          |
| <b>B</b>   | Internal Accruals                      | 308.76        | 358.10        | 659.83        | 564.84          | 854.66          |
|            | <b>Net Proceeds from IPO</b>           | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>200.00</b>   | <b>200.00</b>   |

**Assumptions for working capital requirements**

The following table sets forth the details of the holding period (with days rounded to the nearest whole number) considered for financial years ended March 31, 2025, March 31, 2024 and March 31, 2023, as well as projections for financial year ended March 31, 2026 and March 31, 2027

| (number of days) |      |                     |               |               |               |               |
|------------------|------|---------------------|---------------|---------------|---------------|---------------|
| Particulars      | Unit | March 31,2023       | March 31,2024 | March 31,2025 | March 31,2026 | March 31,2027 |
|                  |      | Restated Financials |               |               | Projections   | Projections   |
| Debtors          | Days | 61                  | 56            | 89            | 90            | 90            |
| Creditors        | Days | 44                  | 25            | 11            | 15            | 15            |
| Inventories      | Days | 47                  | 54            | 74            | 60            | 60            |

**Justification:**

|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Trade Receivables</b> | The historical trade receivables holding period has ranged between 61 to 89 days during FY 2023 to FY 2025. Considering the existing credit terms given to customers, the receivable holding period is projected to be approximately 90 days of total revenue from operations for F.Y. 2025-26 and F.Y. 2026-27, which is in alignment with the current trend. The increase in trade receivable days aligns with our objective of driving higher sales growth. As we expand our operations and introduce polymer compounds alongside masterbatches, we aim to enhance market penetration and strengthen our customer base. To support this growth, we will offer a reasonable credit period of 90 days to our customers to settle invoices, which we believe will increase our sales volume and create long-term relationship with the customers.                                                                                                                                 |
| <b>Trade Payables</b>    | The trade payables holding period has shown a declining trend from 44 days in FY 2023 to 11 days in FY 2025, indicating improved payment cycles and efficient supplier management. From FY 2026 onwards, the trade payables period is projected at 15 days, reflecting a calibrated approach to optimizing working capital management. With improved access to working capital funding, the Company intends to adopt a more balanced payment cycle that supports sustainable supplier relationships and procurement efficiency. The planned shift aims to enhance supply chain stability, support volume-based negotiations, and align with the Company's broader growth strategy, which includes expansion into polymer compounds and increased focus on standardized product lines. This approach is expected to strengthen the Company's position in securing competitive pricing, ensuring timely availability of raw materials, and maintaining an efficient cost structure. |
| <b>Inventory</b>         | Historically, the company's inventory holding days have ranged between 47 to 74 days from FY 2023 to FY 2025. From FY 2026 onwards, the company plans to optimize inventory levels and maintain them at approximately 60 days (two months). This adjustment aligns with our strategic focus on demand-driven inventory management while ensuring operational efficiency. Maintaining a two-month inventory will enable us to efficiently meet demand for new products, particularly the polymer compounds introduced alongside our existing masterbatches, as well as cater to bulk requirements for standardized products. With this approach, the company aims to enhance supply chain stability, reduce lead times and improve order fulfillment, supporting overall business growth.                                                                                                                                                                                          |

**c) General Corporate Purpose**

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating ₹ [●] Lakhs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act, 2013.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further in case, our actual issue expenses turn to be lesser than the estimated issue expenses of ₹ [●] lakhs, such surplus amount shall be utilized for General Corporate Purpose in such a manner that the amount for general corporate purposes, as

mentioned in the Red Herring Prospectus/ Prospectus, shall not exceed 15% of the amount raised by our Company through this Issue or Rs. 10 crores, whichever is less.

The total estimated Issue Expenses are ₹ [●] Lakhs, which is [●] % of the total Issue Size. The details of the Issue Expenses are tabulated below:

| Activity                                                                                                                                                                                                                                  | (₹ in Lakh) | As a % of Estimates Issue Expenses | As a % of Issue Size |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------------------------------|----------------------|
| Book Running Lead Manger Fees (including underwriting commission)                                                                                                                                                                         | [●]         | [●]                                | [●]                  |
| Fees Payable to Registrar to the Issue                                                                                                                                                                                                    | [●]         | [●]                                | [●]                  |
| Fees Payable for Advertising and Publishing Expenses                                                                                                                                                                                      | [●]         | [●]                                | [●]                  |
| Fees Payable to Regulators including Stock Exchanges                                                                                                                                                                                      | [●]         | [●]                                | [●]                  |
| Payment for Printing & Stationery, Postage, etc.                                                                                                                                                                                          | [●]         | [●]                                | [●]                  |
| Fees Payable to Statutory Auditor, Legal Advisors and other Professionals                                                                                                                                                                 | [●]         | [●]                                | [●]                  |
| Others (Commission/processing fee for SCSBs, Sponsor Bank and Banker(s) to the Issue and brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs and Miscellaneous Expenses) | [●]         | [●]                                | [●]                  |
| <b>Total</b>                                                                                                                                                                                                                              | [●]         | [●]                                | [●]                  |

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

(2) Selling commission payable to the SCSBs on the portion for Individual investors who applies for minimum application size. Non-Institutional Bidders, which are directly procured by the SCSBs, would be as follows

|                                                                            |                                                       |
|----------------------------------------------------------------------------|-------------------------------------------------------|
| Portion for Individual investors who applies for minimum application size* | 0.10% of the Amount Allotted* (plus applicable taxes) |
| Portion for Non-Institutional Bidders*                                     | 0.10% of the Amount Allotted* (plus applicable taxes) |

\*Amount allotted is the product of the number of Equity Shares Allotted and the Issue Price. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE.

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

|                                                                           |                                                                 |
|---------------------------------------------------------------------------|-----------------------------------------------------------------|
| Portion for Individual investors who applies for minimum application size | ₹ 10 per valid Bid cum Application Form (plus applicable taxes) |
| Portion for Non-Institutional Bidders                                     | ₹ 10 per valid Bid cum Application Form (plus applicable taxes) |

Notwithstanding anything contained above the total processing fee payable under this clause will not exceed ₹1 lakh (plus applicable taxes) and in case if the total processing fees exceeds ₹ 1 lakh (plus applicable taxes) then processing fees will be paid on pro-rata basis.

(4) The processing fees for applications made by Individual investors who applies for minimum application size using the UPI Mechanism would be as follows:

|                                                  |                                                    |
|--------------------------------------------------|----------------------------------------------------|
| Members of the Syndicate/ RTAs/ CDPs (uploading) | ₹ 10 per valid application (plus applicable taxes) |
|--------------------------------------------------|----------------------------------------------------|

|                                  |                                                                                                   |
|----------------------------------|---------------------------------------------------------------------------------------------------|
| charges)                         |                                                                                                   |
| Sponsor Bank – Axis Bank Limited | Free till 20,000 UPI applications and Rs. 6.50 plus GST per application above 20,000 applications |

*\*For each valid application by respective Sponsor Bank*

*Notwithstanding anything contained above in this clause the total Uploading charges/ Processing fees payable to Members of the Syndicate/ RTAs/ CDPs for applications made by Individual investors who applies for minimum application size. (up not less than ₹200,000), Non-Institutional Bidders (for an amount more than ₹200,000 and up to ₹500,000) using the UPI Mechanism and in case if the total uploading charges/ processing fees exceeds ₹ 1 lakh (plus applicable taxes) then uploading charges/ processing fees using UPI Mechanism will be paid on pro-rata basis.*

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

|                                                                                  |                                                              |
|----------------------------------------------------------------------------------|--------------------------------------------------------------|
| <i>Portion for Individual investors who applies for minimum application size</i> | <i>0.10% of the Amount Allotted* (plus applicable taxes)</i> |
| <i>Portion for Non-Institutional Bidders</i>                                     | <i>0.10% of the Amount Allotted* (plus applicable taxes)</i> |

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

*Uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the applications made by Individual investors who applies for minimum application size using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts, would be as follows: ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.*

*Bidding charges payable to the Registered Brokers, CRTAs/ CDPs on the portion for Individual investors who applies for minimum application size and Non-Institutional Bidders which are directly procured by the Registered Brokers or CRTAs or CDPs and submitted to SCSB for processing, would be as follows:*

|                                                                                   |                                                          |
|-----------------------------------------------------------------------------------|----------------------------------------------------------|
| <i>Portion for Individual investors who applies for minimum application size*</i> | <i>₹10 per valid application (plus applicable taxes)</i> |
| <i>Portion for Non-Institutional Bidders*</i>                                     | <i>₹10 per valid application (plus applicable taxes)</i> |

*\* Based on valid applications*

*Notwithstanding anything contained above the total uploading/ bidding charges payable under this clause will not exceed ₹ 1 lakh (plus applicable taxes) and in case if the total uploading/ bidding charges exceeds ₹ 1 lakh (plus applicable taxes) then uploading charges will be paid on pro-rata basis.*

*The Selling Commission payable to the Syndicate/ Sub-Syndicate Members will be determined on the basis of the application form number/ series, provided that the application is also bid by the respective Syndicate/ Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number/ series of a Syndicate/ Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate/ Sub-Syndicate Member. Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the portion for Individual investors who applies for minimum application size and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹ 10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.*

*The selling commission and bidding charges payable to Registered Brokers the CRTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE.*

*All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement. Further, the processing fees for applications made by UPI*

Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

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

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

| <i>(Rs. In Lakhs)</i> |                                                                              |                                                            |                                                            |
|-----------------------|------------------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
| S. No.                | Particulars                                                                  | Estimated Amount to be deployed and utilized in F.Y. 25-26 | Estimated Amount to be deployed and utilized in F.Y. 26-27 |
| 1.                    | Funding of capital expenditure towards setup of a new manufacturing facility | 1463.48                                                    | -                                                          |
| 2.                    | Funding of working capital requirements                                      | 200.00                                                     | 200.00                                                     |
| 3.                    | General Corporate Purpose                                                    | [●]                                                        | -                                                          |
|                       | <b>Total</b>                                                                 | [●]                                                        | <b>200.00</b>                                              |

### **Appraisal**

The fund requirements, deployment of funds and the intended use of the Net Proceeds as described in the Red Herring Prospectus, Red Herring Prospectus and the Prospectus are based on our current business plan, management estimates, prevailing market conditions and other commercial considerations. However, such fund requirements and deployment of funds have not been appraised by any external agency or any bank or financial institution or any other independent agency.

We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, our business and growth strategies, competitive landscape, general factors affecting our results of operations, financial condition and access to capital and other external factors such as changes in the business environment or regulatory climate and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail reviewing the proposed utilization of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law.

### **Shortfall of Funds**

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

### **Bridge Financing Facilities**

As on the date of the Red Herring Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

### **Monitoring Utilization of Funds**

As the size of the Issue will not exceed ₹ 5000 Lakhs, the appointment of Monitoring Agency would not be required as per Regulation 262(1) of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Issue Proceeds through our audit committee. Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

### **Interim Use of Proceeds**

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company.

### **Variation in Objects**

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

### **Other confirmations**

There are no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel or Senior Management Personnel, in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoter, our directors or key managerial personnel or Senior Management Personnel except in the normal course of business and in compliance with the applicable laws.



## **BASIS FOR ISSUE PRICE**

*Investors should read the following summary with the section titled “Risk Factors”, the details about our Company under the section titled “Our Business” and its financial statements under the section titled “Financial Information of the Company” beginning on page 26, 111 and 157. respectively of the Red Herring Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.*

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10.00 each and the Issue Price is ₹ [●] times of the face value.

### **QUALITATIVE FACTORS**

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

- a) In-house manufacturing facility with integrated testing and R&D capabilities;
- b) Wide diversified customer base spread across various industries & geography;
- c) Long term relationship with the customers; and
- d) Experienced Promoters with Industry Expertise

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “Our Business” beginning on page 111 of this Red Herring Prospectus.

### **QUANTITATIVE FACTORS**

The information presented below relating to our Company is based on the Restated Consolidated Financial Statements. For details, please refer section titled “Financial Information of the Company” on page 157 of this Red Herring Prospectus.

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

#### **1. Basic & Diluted Earnings per share (EPS) (Face value of ₹ 10 each):**

As per the Restated Financial Statements:

| <b>Sr. No</b> | <b>Financial Year</b>                | <b>Basis &amp; Diluted (₹)</b> | <b>Weights</b> |
|---------------|--------------------------------------|--------------------------------|----------------|
| 1.            | Financial Year ending March 31, 2025 | 7.30                           | 3              |
| 2.            | Financial Year ending March 31, 2024 | 4.27                           | 2              |
| 3.            | Financial Year ending March 31, 2023 | 3.90                           | 1              |
|               | <b>Weighted Average</b>              | <b>5.72</b>                    | <b>6</b>       |

#### **Notes:**

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.
- ii. The face value of each Equity Share is ₹10.00.
- iii. Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.
- v. Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of equities shares outstanding during the year/ period
- vi. Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding during the year/ period.

**2. Price Earning (P/E) Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share of Face Value of ₹ 10/- each fully paid up:**

| Particulars                                                                               | (P/E) Ratio at the Floor Price | (P/E) Ratio at the Cap Price |
|-------------------------------------------------------------------------------------------|--------------------------------|------------------------------|
| P/E ratio based on the Basic & Diluted EPS, as restated for period ending March 31, 2025  | [●]                            | [●]                          |
| P/E ratio based on the Weighted Average EPS, as restated for period ending March 31, 2025 | [●]                            | [●]                          |

| Industry P/E Ratio* | (P/E) Ratio  |
|---------------------|--------------|
| Highest             | 27.54        |
| Lowest              | 25.70        |
| <b>Average</b>      | <b>26.62</b> |

*\*We have mentioned listed peer which falls in the similar line of business as of our Company for broad comparison purpose, however there is a distinction in the product portfolio between our company and those of our selected peer i.e. Polylink Polymers (India) Limited and Deep polymers Limited.*

**Note:**

- i) The P/E ratio of peers has been computed by dividing Market price as on July 17, 2025 with EPS for the F.Y. 2024-25.

**3. Return on Net worth (RoNW)**

| Sr. No | Period                       | RONW          | Weights  |
|--------|------------------------------|---------------|----------|
| 1.     | Period ending March 31, 2025 | 32.26 %       | 3        |
| 2.     | F.Y. ending March 31, 2024   | 27.85%        | 2        |
| 3.     | F.Y. ending March 31, 2023   | 35.17%        | 1        |
|        | <b>Weighted Average</b>      | <b>31.27%</b> | <b>6</b> |

**Note:**

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.  
ii. The RoNW has been computed by dividing restated net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year  
iii. Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.

**4. Net Asset Value (NAV) per Equity Share:**

| Sr. No | NAV Per Equity Share | (Amount in ₹) |
|--------|----------------------|---------------|
| 1.     | As at March 31, 2025 | 22.62         |
| 1.     | As at March 31, 2024 | 15.33         |
| 2.     | As at March 31, 2023 | 11.08         |
| 3.     | After the Issue      | [●]           |
| 4.     | At the Floor Price   | [●]           |
| 5.     | At the Cap Price     | [●]           |
| 6.     | At the Issue Price*  | [●]           |

*\*Issue price per Equity share will be determined on conclusion of Book Building Process.*

*The above NAV has been calculated based on weighted number of shares outstanding at the end of the respective year.*

**Notes:**

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.

- ii. *NAV per share=Restated Net worth at the end of the year divided by weighted average number of equity shares outstanding at the end of the year*
- iii. *Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account.*
- iv. *Issue Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Manager.*

## 5. Comparison of Accounting Ratios with Industry Peers

(₹ In lakhs)

| Name of Company                    | Current Market Price (₹) | Face Value | EPS (Basic) | EPS (Diluted) | PE    | RoNW (%) | Book Value (₹) | Total Revenue (₹ In lakhs) |
|------------------------------------|--------------------------|------------|-------------|---------------|-------|----------|----------------|----------------------------|
| Mehul Colours Limited              | [●]                      | 10.00      | 7.30        | 7.30          | [●]   | 32.26%   | 22.62          | 2,371.29                   |
| <b>Peer Group</b>                  |                          |            |             |               |       |          |                |                            |
| Polylink Polymers (India) Limited* | 26.55                    | 5.00       | 0.96        | 0.96          | 28.00 | 7.13%    | 13.52          | 9,123.33                   |
| Deep Polymers Limited*             | 56.85                    | 10.00      | 2.13        | 2.13          | 25.68 | 5.75%    | 38.47          | 10,091.28                  |

\* We have mentioned listed peer which falls in the similar line of business as of our Company for broad comparison purpose, however there is a distinction in the product portfolio between our company and those of our selected peer i.e. Polylink Polymers (India) Limited and Deep polymers Limited.

Notes:

- (i) *Source – All the financial information for listed industry peer mentioned above is sourced from the Financial Results of the aforesaid companies for the year ended March 31, 2025 and stock exchange data dated 17<sup>th</sup> July, 2025 to compute the corresponding financial ratios.*
- (ii) *For our Company, we have taken Current Market Price as the issue price of equity share. Further, P/E Ratio is based on the current market price of the respective scrips.*
- (iii) *The EPS, NAV, RoNW and total Income of our Company are taken as per Restated Financial Statement for the F.Y. 2024-25.*
- (iv) *NAV per share is computed as the closing net worth divided by the weighted average number of paid-up equity shares as on March 31, 2025.*
- (v) *RoNW has been computed as net profit after tax divided by closing net worth.*
- (vi) *Net worth has been computed in the manner as specifies in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018.*
- (vii) *The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is [●] times the face value of equity share.*

## 6. Key Performance Indicators

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of our company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated March 24, 2025 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Red Herring Prospectus. Further, the KPIs herein have been certified by YMS & Co., LLP, Chartered Accountants, by their certificate dated 17<sup>th</sup> July, 2025

The KPIs of our Company have been disclosed in the sections titled **“Our Business”** and **“Basis for Issue Price– Key Performance Indicators”** on pages 111 and 94 respectively. We have described and defined the KPIs as applicable in **“Definitions and Abbreviations”** on page 1 of this RHP.

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, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

#### Key performance indicators of our Company:

(Rs. In Lakhs except percentages and ratios)

| Key Financial Performance              | FY 2024-25 | FY 2023-24 | FY 2022-23 |
|----------------------------------------|------------|------------|------------|
| Revenue from operations <sup>(1)</sup> | 2,282.20   | 2,193.64   | 2,117.92   |
| EBITDA <sup>(2)</sup>                  | 688.47     | 397.03     | 417.59     |
| EBITDA Margin <sup>(3)</sup>           | 30.17%     | 18.10%     | 19.72%     |
| PAT <sup>(4)</sup>                     | 550.3      | 321.82     | 293.96     |
| PAT Margin <sup>(5)</sup>              | 24.11%     | 14.67%     | 13.88%     |
| Net Worth <sup>(6)</sup>               | 1,706.06   | 1,155.71   | 835.76     |
| RoE (%) <sup>(7)</sup>                 | 38.46%     | 32.32%     | 42.68%     |
| RoCE (%) <sup>(8)</sup>                | 43.53%     | 36.67%     | 49.41%     |

#### Notes:

<sup>(1)</sup>Revenue from operation means revenue from sale of products & services and other operating revenues

<sup>(2)</sup>EBITDA is calculated as Profit before tax + Depreciation + Finance Cost - Other Income

<sup>(3)</sup>‘EBITDA Margin’ is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> PAT is calculated as Profit before tax – Tax Expenses

<sup>(5)</sup>‘PAT Margin’ is calculated as PAT for the period/year divided by revenue from operations.

<sup>(6)</sup>‘Net worth means Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).

<sup>(7)</sup> Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

<sup>(8)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as Shareholders Fund + Long term borrowing + Short term borrowing+ Deferred Tax Liability.

#### Explanation for KPI metrics:

| KPI                     | Explanations                                                                                                                                                                                           |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Revenue from Operations | Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business |
| EBITDA                  | EBITDA provides information regarding the operational efficiency of the business                                                                                                                       |
| EBITDA Margin (%)       | EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business                                                                                           |
| PAT                     | Profit after tax provides information regarding the overall profitability of the business.                                                                                                             |
| PAT Margin (%)          | PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.                                                                                                 |
| Net Worth               | Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.                                            |
| RoE (%)                 | RoE provides how efficiently our Company generates profits from shareholders’ funds.                                                                                                                   |
| RoCE (%)                | RoCE provides how efficiently our Company generates earnings from the capital employed in the business.                                                                                                |

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

(₹ In Lakhs except percentages and ratios)

| Key Financial Performance              | Polylink Polymers (India) Limited |            |            | Deep polymers Limited |            |            |
|----------------------------------------|-----------------------------------|------------|------------|-----------------------|------------|------------|
|                                        | FY 2024-25                        | FY 2023-24 | FY 2022-23 | FY 2024-25            | FY 2023-24 | FY 2022-23 |
| Revenue from operations <sup>(1)</sup> | 9,032.09                          | 7,466.74   | 5,036.14   | 9,817.16              | 10,528.34  | 12,045.94  |
| EBITDA <sup>(2)</sup>                  | 344.09                            | 322.58     | 167.71     | 1,359.12              | 1,248.88   | 1,376.83   |
| EBITDA Margin (%) <sup>(3)</sup>       | 3.81%                             | 4.32%      | 3.33%      | 13.84%                | 11.86%     | 11.43%     |
| PAT <sup>(4)</sup>                     | 213.20                            | 173.18     | 64.41      | 519.92                | 714.12     | 929.57     |
| PAT Margin (%) <sup>(5)</sup>          | 2.36%                             | 2.32%      | 1.28%      | 5.30%                 | 6.78%      | 7.72%      |
| Net Worth <sup>(6)</sup>               | 2,990.33                          | 2,781.45   | 2,608.85   | 9,041.82              | 8,527.74   | 6,717.20   |
| RoE (%) <sup>(7)</sup>                 | 7.39%                             | 6.43%      | 2.50%      | 5.92%                 | 9.36%      | 15.20%     |
| RoCE (%) <sup>(8)</sup>                | 10.00%                            | 8.31%      | 3.75%      | 7.91%                 | 9.14%      | 11.58%     |

Notes:

<sup>(1)</sup> Revenue from operation means revenue from sales, service and other operating revenues

<sup>(2)</sup> EBITDA is calculated as Profit before tax + Depreciation + Interest - Other Income

<sup>(3)</sup> EBITDA Margin is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> PAT is calculated as Profit before tax – Tax Expenses

<sup>(5)</sup> PAT Margin is calculated as PAT for the period/year divided by revenue from operations.

<sup>(6)</sup> Net worth means Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).

<sup>(7)</sup> Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

<sup>(8)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus Long term borrowings and Short term borrowings+ deferred tax liability (net).

8. Weighted average cost of acquisition

- a) The price per share of our Company based on the primary/ new issue of shares (equity/ convertible securities)

There has been no issuance of Equity Shares during the 18 months preceding the date of this Red Herring Prospectus, where such issuance 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 30 days.

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

There have been no secondary sale/ acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts of shares), 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) Since there are no such transactions to report to under (a) and (b) therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter/ Promoter Group entities or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to the date of this certificate irrespective of the size of transactions, is as below:

## Secondary Transactions:

Except as disclosed below, there have been no secondary transactions by the Promoters, members of the Promoter Group or shareholder(s) having the right to nominate director(s) in the Board of Directors of our Company are a party to the transaction, in the last three years preceding the date of this Red Herring Prospectus:

| Date of transfer  | Name of transferor                                                      | Name of transferee                                     | No. of Equity shares | Price Per Equity Share (₹) | Nature of transaction | Total Consideration |
|-------------------|-------------------------------------------------------------------------|--------------------------------------------------------|----------------------|----------------------------|-----------------------|---------------------|
| July 02, 2025     | Mehul Pravinchandra Joshi (Promoter and Chairman and Managing Director) | Amrut Bharat Opportunities Fund - Series I             | 75,000               | 48                         | Cash                  | 36,00,000           |
|                   |                                                                         | Sunrise India Growth Trust - Sunrise India Growth Fund | 1,00,000             | 48                         | Cash                  | 48,00,000           |
|                   |                                                                         | Ms. Priya Vijay Thakkar                                | 62,000               | 48                         | Cash                  | 29,76,000           |
| November 29, 2024 | Kishan Narayan Bhagat                                                   | Pravinchandra Girdharlal Joshi                         | 258                  | 10                         | Cash                  | 2,580               |
|                   | Rashmi Rajendra Parab                                                   | Usha Pravinchandra Joshi                               | 258                  | 10                         | Cash                  | 2,580               |

Weighted average cost of acquisition & Issue price:

| Types of transactions                                                                                          | Weighted average cost of acquisition (₹ per Equity Shares) | Floor Price* (i.e. ₹ [●]) | Issue price* (i.e. ₹ [●]) |
|----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|---------------------------|---------------------------|
| Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.                       | NA <sup>^</sup>                                            | NA <sup>^</sup>           | NA <sup>^</sup>           |
| Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.             | NA <sup>^^</sup>                                           | NA <sup>^^</sup>          | NA <sup>^^</sup>          |
| Weighted average cost of acquisition of primary issuances / secondary transactions as per paragraph 8(c) above | 47.92                                                      | [●] times                 | [●] times                 |

Note:

<sup>^</sup>There were no primary/ new issue of shares (equity/ convertible securities) as mentioned in paragraph 8(a) above, in last 18 months from the date of this Red Herring Prospectus.

<sup>^^</sup>There were no secondary sale/ acquisitions as mentioned in paragraph 8(b) above, in last 18 months from the date of this Red Herring Prospectus.

\* To be updated at Prospectus stage.

This is a Book Built Issue and the price band for the same shall be published 2 working days before opening of the Issue in all editions Financial Express, an English national daily newspaper and all editions of Jansatta, a Hindi national daily newspaper and all edition of Pratahakal, a regional newspaper each with wide circulation where the registered office of the company is situated.

The Price Band/ Floor Price/ Issue Price shall be determined by our Company in consultation with the BRLM and will be justified by us in consultation with the BRLM on the basis of the above information. Investors should read the above-mentioned information along with ***“Our Business”***, ***“Risk Factors”*** and ***“Restated Financial Statements”*** on pages 111, 26 and 157 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in ***“Risk Factors”*** or any other factors that may arise in the future and you may lose all or part of your investments.

## STATEMENT OF SPECIAL TAX BENEFITS

To,

**The Board of Directors  
Mehul Colours Limited  
(formerly known as Mehul Colours and Masterbatches Limited)**

Unit No. A 305, 306, Kemp Plaza,  
Link Road, Chincholi Bunder Road,  
Mind Space, Near Evershine Mall,  
Malad West, Mumbai – 400064.

And

**Seren Capital Private Limited**  
601 to 605, Raylon Arcade, Kondivita,  
J.B. Nagar, Mumbai-400059

**(Seren Capital Private Limited referred to as the “Book Running Lead Manager” or the “BRLM”)**

**Re: Proposed initial public offering of equity shares of face value of Rs. 10 each (“Equity Shares” and such initial public offer, an “IPO” or “Issue”) of Mehul Colours Limited (formerly known as Mehul Colours and Masterbatches Limited) (the “Company”).**

**Sub: Statement of Tax Benefits (‘The Statement’) available to Mehul Colours Limited (formerly known as Mehul Colours and Masterbatches Limited) (“The Company”) and its shareholders prepared in accordance with the requirements under Schedule VI - Clause 9L of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the ‘Regulations’)**

**Dear Sirs,**

We hereby report that the enclosed annexure prepared by the management of **Mehul Colours Limited (formerly known as Mehul Colours and Masterbatches Limited) (“the Company”)**, states the special tax benefits available to the Company and the shareholders of the Company under the Income-Tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the “GST Act”) presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

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

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

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



- the Company or its Shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing of the benefits, where applicable have been/would be met.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.

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

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

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

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

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

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

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

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

**Notes:**

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

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

Signed in terms of our separate report of even date.

**Yours faithfully,**

**For Y M S & CO LLP**  
**Chartered Accountants**  
**Firm Registration No. 143858W/W100859**

**Sd/-**

**Yatin Shah**  
**Partner**  
**Membership No. 157281**  
**UDIN: 25157281BMMBTV1732**  
**Place: Mumbai**  
**Date: 17/07/2025**

## SECTION V – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

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

### GLOBAL ECONOMY

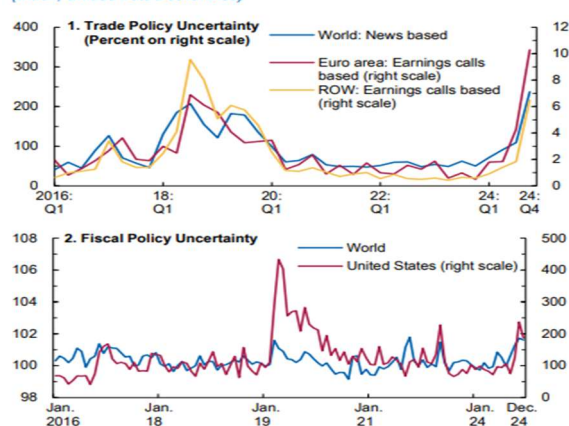
Global growth is projected at 3.3 percent both in 2025 and 2026, below the historical (2000–19) average of 3.7 percent. The forecast for 2025 is broadly unchanged from that in the October 2024 World Economic Outlook (WEO), primarily on account of an upward revision in the United States offsetting downward revisions in other major economies. Global headline inflation is expected to decline to 4.2 percent in 2025 and to 3.5 percent in 2026, converging back to target earlier in advanced economies than in emerging market and developing economies.

Global GDP growth in the third quarter of 2024 was 0.1 percentage point below that predicted in the October 2024 WEO, after disappointing data releases in some Asian and European economies. Growth in China, at 4.7 percent in year-over-year terms, was below expectations. Faster-than-expected net export growth only partly offset a faster-than-expected slowdown in consumption amid delayed stabilization in the property market and persistently low consumer confidence. Growth in India also slowed more than expected, led by a sharper-than-expected deceleration in industrial activity. Growth continued to be subdued in the euro area (with Germany's performance lagging that of other euro area countries), largely reflecting continued weakness in manufacturing and goods exports even as consumption picked up in line with the recovery in real incomes. In Japan, output contracted mildly owing to temporary supply disruptions. By contrast, momentum in the United States remained robust, with the economy expanding at a rate of 2.7 percent in year-over-year terms in the third quarter, powered by strong consumption.

Global financial conditions remain largely accommodative, again with some differentiation across jurisdictions. Equities in advanced economies have rallied on expectations of more business-friendly policies in the United States. In emerging market and developing economies, equity valuations have been more subdued and a broad-based strengthening of the US dollar, driven primarily by expectations of new tariffs and higher interest rates in the United States, has kept financial conditions tighter.

Economic policy uncertainty has increased sharply, especially on the trade and fiscal fronts, with some differentiation across countries (Figure 1). Expectations of policy shifts under newly elected governments in 2024 have shaped financial market pricing in recent months. Bouts of political instability in some Asian and European countries have rattled markets and injected additional uncertainty regarding stalled progress on fiscal and structural policies. Geopolitical tensions, including those in the Middle East and global trade frictions remain elevated.

**Figure 1. Policy Uncertainty**  
(Index, unless noted otherwise)



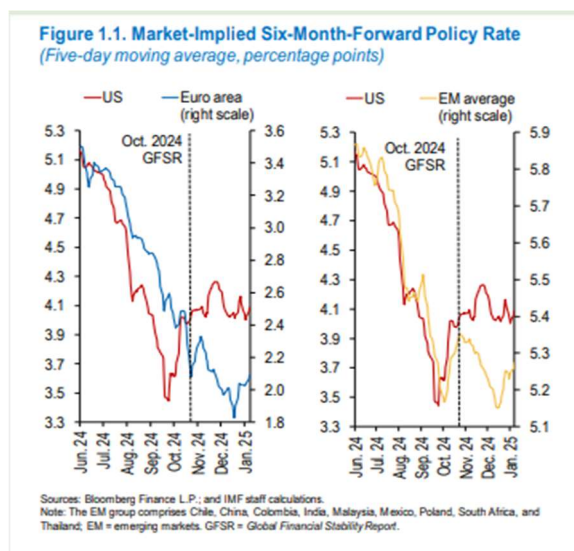
Sources: Baker, Bloom, and Davis 2016; Caldara and others 2020; Refinitiv Eikon; and IMF staff calculations.

Note: The uncertainty measures are news-based indices that quantify media attention to news related to an issue, in which a value of 100 corresponds to 1 percent of news articles that reference the issue. In panel 1, the euro area and the rest of the world (ROW) are based on the earnings-calls-based indicators, representing the proportion of firms that mention trade policy uncertainty (TPU) in their earnings calls. This measure reflects companies' concerns regarding TPU, based on the dictionary developed by Caldara and others (2020, <https://doi.org/10.1016/j.jmoneco.2019.11.002>). The ROW encompasses 22 countries, including the US. In panel 2, US fiscal policy uncertainty is a subcomponent of the Economic Policy Uncertainty Index developed by Baker, Bloom, and Davis (2016, <https://doi.org/10.1093/qje/qjw024>), whereas the indicator for the world is based on Hong, Ke, and Nguyen (2024, <https://doi.org/10.5089/9798400288128.001>).

## Global Financial stability Update

**Divergence between expected paths of US policy rates in relation to those of other major advanced and emerging market economies has widened over the past quarter.**

This follows a period of synchronicity in monetary policies globally earlier in the year. Concerns about tepid economic growth in the euro area and some major emerging markets have increased investor expectations that their central banks will ease monetary policy at a faster pace than expected at the time of publication of the October 2024 Global Financial Stability Report (Figure 1.1). Such expectations do not apply to the Federal Reserve, however, on net. Medium- to long-term US yields have increased somewhat over the same period, while falling in other major advanced and emerging market economies, with the widening of interest rate differentials strengthening the US dollar against major currencies. Furthermore, while recent data suggest the US labor market may be coming into better balance, upside risks to inflation will likely continue to exert upward pressure on yields.

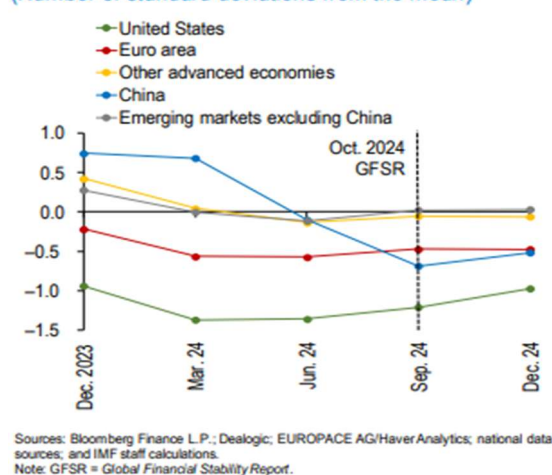


**Escalated trade policy uncertainty has also contributed to broad-based US dollar strengthening.**

Heightened geopolitical risks, in part, alongside trade uncertainty could have driven the dollar's strength against the euro. In the case of emerging market currencies, depreciation against the dollar has also been driven, to some extent, by concerns over domestic fiscal outlooks, although the latter's importance varies across countries. In tandem with pressures on currencies, emerging markets have also seen a net outflow of capital.<sup>1</sup>

Overall, even as global financial conditions are still broadly accommodative in aggregate, they have tightened slightly since October (Figure 1.2). US equity valuations continued to touch new record highs in the fourth quarter of 2024, driven by expectations of a favorable policy mix for firms.<sup>2</sup> That said, this has been offset by the effects of a rise in long-term rates, resulting in a slight tightening, on net, though from the very easy levels in the previous quarter. Risk assets in emerging markets, however, appear to have shown greater sensitivity to trade policy uncertainty and currency outlooks, reflected in tighter financial conditions. Market participants are closely monitoring tariff policies and geopolitical risks, as these could weigh on market sentiment, potentially leading to sharp repricing in risk assets given their current lofty valuations, bringing an abrupt tightening in global financial conditions.

**Figure 1.2. Financial Conditions Index**  
(Number of standard deviations from the mean)



*This was prepared by the Monetary and Capital Markets Department's Global Markets Analysis Division. It provides an update on market developments since the October 2024 Global Financial Stability Report.*

*1 A narrow definition of capital flows is used here, restricted to portfolio flows, on account of lags in official data availability. The emerging markets group here excludes China.*

*2 Buoyancy in US equity market valuation could be reflecting investor expectations of possible deregulation and tax cuts, which may serve to reinforce the robust US growth outlook.*

*(Source: <https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025>)*

## INDIAN ECONOMY

India's economy outpaced other economies during the first half of FY24, propelled by robust demand and increased investment. As of October 2024, the annual retail price inflation in India rose to 6.21%, an increase from the previous month 5.49%, beyond the tolerance band set by the Reserve Bank of India (RBI).

India's services exports demonstrated robust performance during April-December period of FY25 with an estimated value of services export amounting to US\$ 280.94 billion, registering ~11.55% growth compared to the same period of previous fiscal year. This growth is predominantly fueled by the software and business services sector.

As we move ahead in 2024, the global economic landscape is anticipated to introduce further complexities, necessitating sustained vigilance to uphold India's external resilience. It is important for India to address medium-term challenges, including securing technology and resources for energy transition and skill development for the 21st-century economy. Concurrently, maintaining fiscal consolidation at the general government level is crucial.

The Indian economy shows promising signs with the RBI forecasting a 7.2% real GDP growth for FY25, supported by the prospects of robust Rabi harvesting, manufacturing profitability and resilient services. While risks such as geopolitical tensions and supply chain disruptions persist, lower input prices and moderated food inflation are expected to positively impact output growth and export prospects. With efforts to enhance export competitiveness and stable inflation rates, the outlook for India's economic growth remains favorable.

In the FY25 (Union Budget Estimate), there has been a 11.1% increase in the allocation for capital expenditure, rising from Rs. 10 lakh crore (US\$ 120.6 billion) in the previous year (2023-24) to Rs. 11.11 lakh crore (US\$ 134 billion). The strong growth of the Indian economy in the first half of FY24 has surpassed that of major economies, contributing to the reinforcement of macroeconomic stability.

The real GDP growth rate for FY25 is projected at 7.0% compared to the estimated growth rate of 8.2% in FY24. These figures highlight the Indian economy's resilience, driven by strong domestic demand, despite rising global uncertainties that are affecting global economies.

The nation has shifted to a modern economy, demonstrating increased global integration and exporting a fifth of its output, a significant rise from one-sixteenth at independence. The demographic transition, marked by a lower infant mortality rate and a consistent growth in literacy rates, further enhances India's advantageous position. With improved income distribution, heightened employment rates and globally competitive social amenity provisions, there is potential for India's per capita GDP to expand in the next 25 years, mirroring the growth seen in the preceding 75 years.

Recently, in 2024-25, the following key indicators highlighted improved performances:

- India's merchandise exports in December 2024 were estimated at US\$ 38.01 billion. Merchandise imports in December 2024 were estimated at US\$ 59.95 billion.
- The total Foreign Direct Investment (FDI) equity inflow received by India in FY25 (July to September 2024) amounted to US\$ 19.81 billion.
- The combined index of eight core industries stood at 160.9 for FY25 (April-November) against 154.4 for FY24 (April-November).

*(Source: <https://www.ibef.org/economy/monthly-economic-report>)*

## ***Market Size***

The growth in real GDP during 2023-24 is estimated at 8.2% as compared to 7.0% in 2022-23. Real GDP for Q2 of FY25 is estimated at Rs. 44.10 lakh crores (US\$ 509.36 billion) with growth rate of 5.4%, compared to Rs. 41.86 lakh crore (US\$ 484.27 billion) for Q2 of 2023-24. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024 Fintech sector poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time periods. India's Current Account Deficit (CAD) narrowed to 0.7% of GDP in FY24. The CAD stood at Rs. 96,790 crore (US\$ 11.2 billion) for Q2 of FY25 from Rs. 97,655 crore (US\$ 11.3 billion) in Q2 of FY24 or 1.3% of GDP. This was largely due to decrease in merchandise trade deficit.

## ***Recent Developments***

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy.

- India secured 39th position out of 133 economies in the Global Innovation Index 2024. India rose from 81st position in 2015 to 39th position in 2024. India ranks 3rd position in the global number of scientific publications.
- As of January 10, 2025, India's foreign exchange reserves stood at Rs. 53,80,402 crore (US\$ 625.871 billion).
- In 1H 2024, India saw a total of US\$ 31.5 billion in PE-VC investments.
- In November 2024, the overall IIP (Index of Industrial Production) stood at 148.4. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 133.8, 147.4 and 184.1, respectively.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crore (US\$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested (US\$ 13.89 billion) in India during January - (up to 15th July) 2024.
- Between April 2000–September 2024, cumulative FDI equity inflows to India stood at Rs. 89.30 lakh crore (US\$ 1,033.40 billion).

## ***Government Initiatives***

Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy.

- According to a report by Wood Mackenzie in January 2025, India, the United States and West Asia are expected to collectively add 100 Gigawatts (GW) of solar capacity by 2025, while China is anticipated to continue its leadership in the solar industry.
- In July 2024, the Ministry of Finance held the Union Budget and announced that for 2024-25, the total receipts other than borrowings and the total expenditure are estimated at Rs. 32.07 lakh crore (US\$ 383.93 billion) and Rs. 48.21 lakh crore (US\$ 577.16 billion), respectively.
- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).

- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, 1 crore households will receive rooftop solar installations.
- To enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antyodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from January 1, 2023.
- In September 17, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale and reach of their products, as well as to integrate them with MSME value chains.
- From April 1, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'Aatmanirbhar Bharat' and 'Local goes Global'.

### ***Road Ahead***

In the second quarter of FY24, the growth momentum of the first quarter was sustained and High-Frequency Indicators (HFIs) performed well in July and August of 2023. India's comparatively strong position in the external sector reflects the country's positive outlook for economic growth and rising employment rates. India ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of FY24 highlighted the unwavering support the government gave to its capital expenditure, which, in FY24, stood 37.4% higher than the same period last year. In the Union Budget of 2024-25, capital expenditure took lead by steeply increasing the capital expenditure outlay by 17.1 % to Rs. 11 lakh crore (US\$ 133.51 billion) over Rs. 9.48 lakh crore (US\$ 113.91 billion) in 2023-24. Stronger revenue generation because of improved tax compliance, increased profitability of the company and increasing economic activity also contributed to rising capital spending levels.

India's is experiencing resilient growth despite the global pandemic. India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023.

With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

(Source: <https://www.ibef.org/economy/indian-economy-overview>)

## **CHEMICAL INDUSTRY**

India's chemical industry is extremely diversified and can be broadly classified into bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers and fertilizers. India is the 6th largest producer of chemicals in the world and 3rd in Asia, contributing 7% to India's GDP. The Indian chemical industry is currently valued at US\$ 220 billion and is expected to reach US\$ 300 billion by 2030 and US\$ 1 trillion by 2040. This industry remains an active hub of opportunities, even in an environment of global uncertainty.

Globally, India is the fourth-largest producer of agrochemicals after the United States, Japan and China. India accounts for 16-18% of the world's production of dyestuffs and dye intermediates. From April-May 2024, the export of agrochemicals was US\$ 661.18 million, dyes were US\$ 379.61 million and the other dye intermediates were US\$ 27.87 million. Indian colourants. industry has emerged as a key player with a global market share of ~15%. The country's chemicals industry is de-licensed, except for a few hazardous chemicals. India has traditionally been a world leader in generics and biosimilars and a major Indian vaccine manufacturer, contributing more than 50% of the global vaccine supply.



India holds a strong position in exports and imports of chemicals at a global level and ranks 14th in exports and 8th in imports at the global level (excluding pharmaceuticals). During April-September 2024, India's dye exports (Dyes and Dye Intermediates) totaled US\$ 1.26 billion.

### **Market Size**

India's chemical sector, which is worth US\$ 220 billion currently, is anticipated to grow to US\$ 300 billion by 2030 and US\$ 1 trillion by 2040. The demand for chemicals is expected to expand by 9% per annum by 2025.

An investment of Rs. 8 lakh crore (US\$ 107.38 billion) is estimated in the Indian chemicals and petrochemicals sector by 2025. Specialty chemicals account for 20% of the global chemicals industry's US\$ 4 trillion, with India's market expected to increase at a CAGR of 12% to US\$ 64 billion by 2025. This gain would be driven by a healthy demand growth (CAGR of 10-20%) in the export/end-user industries.

The Department of Chemicals & Petrochemicals intends to bring PLI in the chemical & petrochemical sector and will redraft the Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) guidelines.

The Indian chemical industry is expected to further grow with a CAGR of 11-12% by 2027, increasing India's share in the global specialty chemicals market to 4% from 3%.

**Chemical industry market size (US\$ billion)**



Source: Business Standard

### **Investment and Recent Developments**

Recent developments/investments in the Indian chemical sector are as follows:

- Exports of Organic and Inorganic Chemicals reached US\$ 14.09 Billion in April-September 2024.
- Imports of organic chemicals were US\$ 8.56 billion and inorganic chemicals US\$ 3.17 billion from April 2024 to September 2024.
- Major chemical production reached 978.08 million metric tonnes (MMT) in August 2024, while petrochemical production reached 1,889.78 MMT. In May 2024, production levels of various chemicals were as follows: Soda Ash: 264.49 MMT, Caustic Soda: 313.23 MMT, Liquid Chlorine: 211.38 MMT, Formaldehyde: 29.54 MMT, Pesticides and Insecticides: 24 MMT.
- According to a report by the Agro Chem Federation of India (ACFI) and EY India's agrochemical exports are projected to exceed Rs. 80,000 crore (US\$ 9.61 billion) over the next four years.
- In August 2023, the Prime Minister announced a subsidy of Rs. 10 lakh crore (US\$ 120.93 billion) for providing cheaper Urea to farmers.
- In July 2023, Global Chemicals and Petrochemicals Manufacturing Hubs in India (GCPMH 2023) was organized in Delhi, India.

### **Government Initiatives**

The Indian government recognizes the chemical industry as a key growth element and is forecast to increase share of the chemical sector to ~25% of the GDP in the manufacturing sector by 2025.

- Under the Interim Budget 2024-25 the government allocated Rs. 192.21 crore (US\$ 23.13 million) to the Department of Chemicals and Petrochemicals.



- The Department of Chemicals & Petrochemicals intends to bring PLI in the chemical & petrochemical sector and will redraft the Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) guidelines.
- PLI schemes have been introduced to promote Bulk Drug Parks, with a budget of Rs. 1,629 crore (US\$ 213.81 million).
- The Government of India is considering launching a Production Linked Incentive (PLI) scheme in the chemical sector to boost domestic manufacturing and exports.
- A 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government plans to implement a Production Link Incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters.
- 100% FDI is allowed under the automatic route in the chemicals sector with a few exceptions that include hazardous chemicals. FDI inflows in the chemicals sector (other than fertilizers) reached US\$ 22.70 billion between April 2000-June 2024.

### **Road Ahead**

- The chemical industry is expected to contribute US\$ 383 billion to India's GDP by 2030.
- By 2030, India is likely to have ~80% of the households in the middle-income group. • The growing middle-class and increasing urbanization is driving the demand for personal care, agrochemicals, food, paints & coatings resulting into higher consumption of chemicals per capita.
- The Indian chemical industry is currently valued at US\$ 220 billion and is expected to reach US\$ 300 billion by 2030 and US\$ 1 trillion by 2040. This industry remains an active hub of opportunities, even in an environment of global uncertainty.
- The dedicated integrated manufacturing hubs under the Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR) policy to attract an investment of Rs. 20 lakh crore (US\$ 276.46 billion) by 2035.

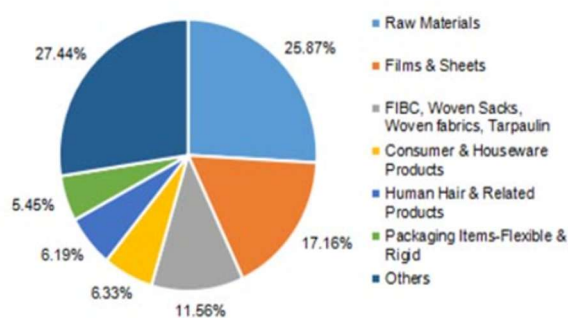
To bring about structural changes in the working of the domestic chemical industry, future investments should not only focus on the transportation of fuels such as petrol and diesel but also on crude-to-chemicals complexes or refineries set up to cater to the production of chemicals.

(Source: <https://www.ibef.org/industry/chemical-industry-india>)

## **INDIAN PLASTIC INDUSTRY AND EXPORTS**

The Indian plastic industry is one of the leading sectors in the country's economy. The history of the plastic industry in India dates back to 1957 with the production of polystyrene. Since then, the industry has made substantial progress and has grown rapidly. The industry is present across the country and has more than 2,500 exporters. It employs more than 4 million people in the country and constitutes 30,000 processing units; among these, 85-90% belong to small and medium enterprises. India manufactures various products such as plastics and linoleum, houseware products, cordage, fishnets, floor coverings, medical items, packaging items, plastic films, pipes, raw materials, etc. The country majorly exports plastic raw materials, films, sheets, woven sacks, fabrics and tarpaulin. The Government of India intends to take the plastic industry from a current level of Rs. 3 lakh crore (US\$ 37.8 billion) of economic activity to Rs. 10 lakh crore (US\$ 126 billion) in 4-5 years.

**India's product-wise share of plastics exports (2024-25\*)**



Note: \*Until June 2024

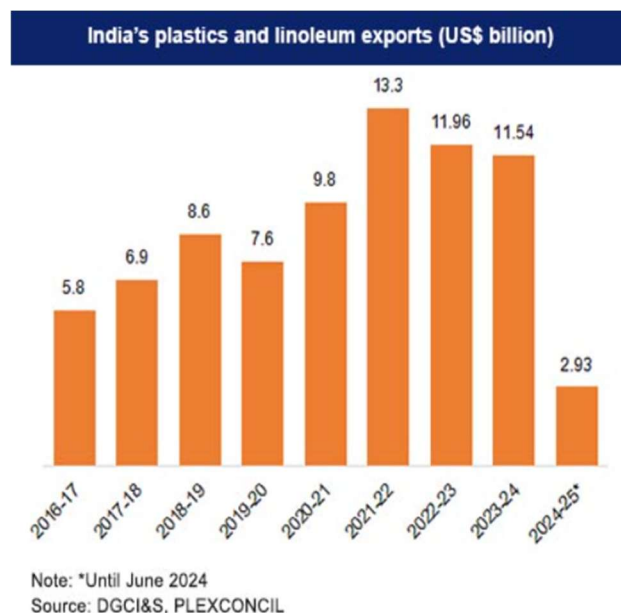
Source: The Plastics Export Promotion Council of India (PLEXCONCIL)

### Export Trend

India's plastic exports stood at US\$ 2.93 billion in FY-25. During this period, the exports of plastic films & sheets, FIBC woven sacks woven fabrics & tarpaulin and Packaging items – flexible rigid grew by 24.9%, 11.9% and 10.4%, respectively, over the same period last year.

Plastic raw materials were the largest exported category and constituted 27.76% of the total exports in 2022-23; it recorded a growth of 21.5% over the previous year. Plastic films and sheets were the second largest category, comprising 15.13% of the total exports, but declined by 10.6% over the previous year.

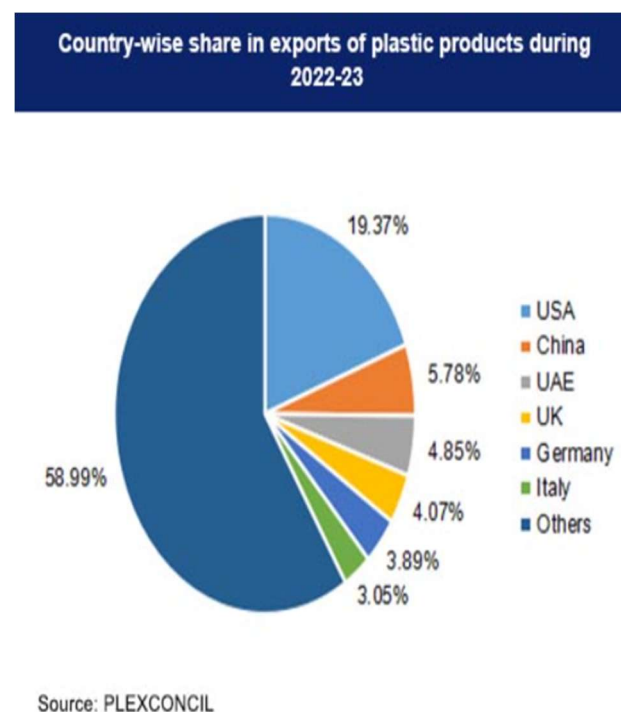
In June 2024, the exports of plastics and linoleum from India were valued at US\$ 980.8 million. During the same period, medical items of plastics; FRP & composites; packaging items; cordage fishnets & monofilaments and floorcoverings, leathercloth, & laminates recorded strong growth. The cumulative exports for April-June 2025 increase by 5.4% year-on-year (YoY) to US\$ 2.93 billion.



### Export Destination

India exports plastic to more than 200 countries in the world. The top five consumer and houseware product importing countries are the USA, Germany Japan, the UK and France. India largely exports plastic and related products to the USA, China, the UAE, the UK, Germany, Italy, Bangladesh, etc. The total value of exports to the USA, the largest consumer of the Indian plastic industry, stood at US\$ 2.31 billion in 2022-23, a decrease of 4.71% YoY. China was the second largest consumer of plastic export products from India and the total value of exports stood at US\$ 690.95 million. The USA and China constituted 19.37% and 5.78%, of the total plastic exports in 2022-23.

The total plastic exports from India to France during 2022-23 was around US\$ 211.4 million. To boost exports to France and Europe, PLEXCONCIL collaborated with the Indo-French Chamber in the first quarter of 2021-22. The Minister for Commerce and Industry, Mr. Piyush Goyal, recently urged industry to adopt international standards to help it expand its global footprint. India has recently signed a free-trade agreement with UAE and Australia, which will give the plastics industry new opportunities.



### Government Initiatives

The Plastic Export Promotion Council (PLEXCONCIL) has set a target to increase the plastic exports of the country to US\$ 25 billion by 2027. There are multiple plastic parks that are being set up in the country in a phased manner that will help improve the plastic manufacturing outputs of the country. Under the plastic park schemes, the Government of India provides funds of up to 50% of the project costs or a ceiling cost of Rs. 40 crore (US\$ 5 million) per project.

Government initiatives like “Digital India”, “Make in India” and “Skill India” will also boost India’s Plastic industry. For instance, under the “Digital India” program, the government aims to reduce the import dependence on products from other countries, which will lift the local plastic part manufacturers.

The government also launched a program for building Centers of Excellence (CoEs) to develop the existing petrochemical technology and promote the research environment pertaining to the sector in the country. This will aid in promoting and developing new applications of polymers and plastics in the country. Additionally, about 23 Central Institute of Plastics Engineering & Technology (CIPET) have been approved to accelerate financial and technological collaboration for promoting skills in the chemicals and petrochemicals sector.

(Source: <https://www.ibef.org/exports/plastic-industry-india>)

## **OUR BUSINESS**

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect, financial condition, or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year. In this section, a reference to the “Company” or “we”, “us” or “our” means Mehul Colours Limited (formerly known as Mehul Colours and Masterbatches Limited).*

*All financial information included herein is based on our “Financial information of the Company” included on page 157 of this Red Herring Prospectus.*

### **OVERVIEW**

Incorporated in 1995, our company is primarily engaged in the manufacturing of masterbatches, which are used in the plastics industry to impart colour and enhance the functional properties of plastic products. Masterbatches are concentrated mixtures of pigments and additives that are uniformly dispersed in polymer carriers, facilitating the effective integration of colour and performance-enhancing properties into plastic products. During plastic processing, masterbatches enable the uniform dispersion of pigments within the plastic resin, ensuring consistent colour distribution throughout the final plastic product without uneven patches or variations. They are also used to enhance visual appearance and impart specific properties to plastic materials such as UV resistance, flame retardancy and anti-static behavior.

In Fiscal 2025, we supplied our masterbatches to over 500+ customers spanning a broad array of industries, including stationery, plastic household products, plastic toys, agricultural tools, pipes and fittings, packaging materials, wires & cables, electrical switches & accessories, sheets and various other plastic products.

In addition to manufacturing masterbatches, our Company is also engaged in the sale of pigments, which are blended by us to create customized pigment solutions tailored to specific industry and customer requirements. Pigments are solid colourants in fine particle form that provide colour to plastic products. For the Fiscal 2025, Masterbatches and Pigments contributed 84.17% and 15.83% respectively to our revenue from operations.

Our product line includes colour masterbatches, additive masterbatches, special effect masterbatches and filler masterbatches to meet specific functional and aesthetic needs in plastic manufacturing. Colour masterbatches ensure uniform and consistent colouration across plastic products. Additive masterbatches enhance the durability, functionality and processability of plastics by imparting essential properties such as UV protection, slip resistance, tackiness, flame retardancy, impact strength and improved extrusion capabilities. These include UV Stabilizers, Slip/Anti-block agents, PIB Masterbatch, Flame Retardants, Impact Modifiers and PPA Masterbatch. Special effect masterbatches, offering finishes like pearl, metallic, sparkle, glitter, fluorescent and wood effects, alter the visual and tactile characteristics of plastics. Filler masterbatches, primarily composed of calcium carbonate (CaCO<sub>3</sub>), talc, or other mineral fillers, are used to enhance rigidity and processing efficiency.

Our manufacturing operations are carried at two production facilities within the Tungareshwar Industrial Estate, Sativali, Vasai East, Palghar, Mumbai, Maharashtra. The first of these facilities, encompassing Units 29 to 32, is equipped with an annual installed capacity of 10,56,000 kg and has a built-up area of 3200 sq. ft. The second facility, comprising Units 12 to 15, features an annual installed capacity of 2,28,000 kg and also has a total built-up area of around 3200 square ft.

Additionally, we have a dedicated Research & Development (R&D) and testing center at our facility located at Units 12 to 15, Tungareshwar Industrial Estate, Palghar. This laboratory is equipped with necessary machines and instruments for quality control, testing and product development, ensuring compliance with industry standards and customer specifications. Our Research and Development (R&D) activities focus on refining our product formulations to align with specific customer requirements.

For the fiscal year ended 2025, our company generated 93.17% of its total revenue from 16 states and 2 Union Territories in India, with key markets in Maharashtra, Gujarat, Dadra & Nagar Haveli and Kerala and the remaining 6.83% of our revenue were from exports to countries such as Canada, Jordan, Qatar and Thailand. During Fiscal 2025, Fiscal 2024 and Fiscal 2023, our exports reached markets including Canada, Chad, Jordan, Oman, Qatar, Saudi Arabia and Thailand.

Our Company is led by our Promoters and Directors, Mehul Pravinchandra Joshi and Bhakti Mehul Joshi, each bringing experience in the Masterbatches and pigment industry. Their experience has played a key role in shaping the company's growth. We believe that their expertise, along with the support of our senior management team, continues to drive the company's business and market reach.

### Key performance indicators of our Company:

*(₹ In Lakhs except percentages and ratios)*

| Key Financial Performance              | FY 2024-25 | FY 2023-24 | FY 2022-23 |
|----------------------------------------|------------|------------|------------|
| Revenue from operations <sup>(1)</sup> | 2,282.20   | 2193.64    | 2117.92    |
| EBITDA <sup>(2)</sup>                  | 688.47     | 397.03     | 417.59     |
| EBITDA Margin <sup>(3)</sup>           | 30.17%     | 18.10%     | 19.72%     |
| PAT <sup>(4)</sup>                     | 550.30     | 321.82     | 293.96     |
| PAT Margin <sup>(5)</sup>              | 24.11%     | 14.67%     | 13.88%     |
| Net Worth <sup>(6)</sup>               | 1,706.06   | 1,155.71   | 835.76     |
| RoE (%) <sup>(7)</sup>                 | 38.46%     | 32.32%     | 42.68%     |
| RoCE (%) <sup>(8)</sup>                | 43.53%     | 36.67%     | 49.41%     |

### Notes:

<sup>(1)</sup> Revenue from operation means revenue from sale of products & services and other operating revenues

<sup>(2)</sup> EBITDA is calculated as Profit before tax + Depreciation + Interest Cost - Other Income

<sup>(3)</sup> 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> PAT is calculated as Profit before tax – Tax Expenses

<sup>(5)</sup> 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

<sup>(6)</sup> Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as Shareholders Fund + Long term borrowing + Short term borrowing+ Deferred Tax Liability.

## OUR COMPETITIVE STRENGTHS

### *In-house manufacturing facilities with integrated testing & R&D capabilities*

Our manufacturing operations are carried at two production facilities within the Tungareshwar Industrial Estate, Sativali, Vasai East, Palghar, Mumbai, Maharashtra, having combined built up area of around 6,400 sq. ft., which support the production of customer-specific masterbatch solutions. Our units are equipped with requisite machineries to carry on the compounding and extrusion processes, essential for producing tailored masterbatch solutions. For a detailed list of our machinery, please refer to the plant & machineries section on page 117 of the RHP.

Our manufacturing facility located 12 to 15, Tungareshwar Industrial Estate, Palghar also has a dedicated laboratory to carry on the R&D activities, quality control, testing and product development. This laboratory is equipped with necessary machines and instruments for quality control, testing and product development, ensuring compliance with industry standards and customer specifications. For a detailed list of testing equipments, please refer to the "Lab Testing Machineries and Equipment's" section on page 118 of the RHP.

Our facilities enable the development of customer-specific masterbatch solutions that meet customers' requirements. The infrastructure supports quality control measures throughout the production process, ensuring our products meets industry standards and customer specifications.

### *Well diversified customer base spread across various industries & geography*

We provide a range of colouring solutions for the plastics industry, including black, white and colour masterbatches, special effects masterbatches, additive masterbatches, filler masterbatches and pigments. Our products are used across various plastic applications in multiple industries. The diversified usage of our products allows us to serve a wide customer base, support different manufacturing needs and cater to various end-use applications across sectors.

In Fiscal 2025, we supplied our masterbatches to over 500+ customers spanning a broad array of industries, including stationery, plastic household products, plastic toys, agricultural tools, pipes and fittings, packaging materials, wires & cables, electrical switches & accessories, sheets and various other plastic products. Our solutions cater to various plastic processing methods, including injection molding, blow molding, roto molding, extrusion (such as film, sheet, cable & pipe), PET processing and PVC processing.

For the fiscal year ended 2025, our company generated 93.17% of its total revenue from 16 states and 2 Union Territories in India, with key markets in Maharashtra, Dadra & Nagar Haveli, Gujarat and Kerala and the remaining 6.83% of our revenue were from exports to countries such as Canada, Jordan, Qatar and Thailand. During the Fiscal 2025, Fiscal 2024, and Fiscal 2023, our exports reached markets including Canada, Chad, Jordan, Oman, Qatar and Thailand.

#### ***Long term relationship with the customers***

We have over the years established long-term relationships with certain of our customers leading to recurrent business engagements with them. Some of our customers have been with us for the last 5 fiscals. We believe that the long-standing relationships that we have enjoyed with certain of our customers over the years has helped us grow. In addition, we have a sales and marketing team dedicated to nurturing these relationships, driving customer satisfaction, and expanding our market presence.

#### ***Experienced Promoters with Industry Expertise***

Our Promoter, Mr. Mehul Pravinchandra Joshi, brings twenty-five years of experience in the industry and Mrs. Bhakti Mehul Joshi has a relevant experience of fifteen years. Both promoters are actively involved in the day-to-day management of our Company. Additionally, our research team, with its extensive industry experience, plays a crucial role in helping us achieve organizational goals. We believe that the combined experience of our management team and their in-depth understanding of the industry will enable us to continue leveraging both current and future market opportunities.

### **OUR BUSINESS STRATEGIES**

#### ***Focus on expansion of our product portfolio through setup of new manufacturing facility***

We propose to establish a dedicated manufacturing unit at Survey No. 38/2 situated at village Majivali, Taluka Vasai, District Palghar, Maharashtra which will have approximately an area admeasuring 4156 Sq. mtrs. This will enhance our installed capacity from 1284000 kg p.a. to an estimated 21,60,000 kg p. a. (Source: Chartered Engineer Report dated July 15, 2025, issued by Karan Rajendra Mody, Chartered Engineer, AKV Consulting LLP). For details, please refer to the chapter titled “Objects of the Issue” on page 80 of this RHP.

Our company plans to expand its product portfolio by introducing polymer compounds alongside its existing masterbatches, targeting new as well as the existing customer base for operational synergy. Polymer compounds are ready-to-use plastic granules formulated for specific industry requirements. These compounds are used in automotive, engineering plastics, flame-retardant applications, thermoplastic elastomers and electrical cables, providing properties such as mechanical strength, fire resistance and electrical insulation.

This expansion will enable us to secure new orders from existing and potential customers, capitalizing on market opportunities and drive revenue growth. This expansion inter-alia involves civil construction work and installing machinery as detailed in the section “Objects of the Issue - Funding of capital expenditure towards setup of new

manufacturing facility” on page 81 of this RHP. The total estimated cost of the new facility is ₹ 2172.16 lakhs, out of which ₹ 1463.48 lakhs are to be funded from the net issue proceeds.

***Deepen and expand our geographical presence***

We intend to cater to the increasing demand of our existing customers and also to develop new customer base by supplying our products worldwide. We propose to enter into new geographies and expand our marketing and sales team which can focus on different regions and also maintain existing customer relationship. For the last 3 financial years, we have been successful in exporting our products to many clients across the globe such as Canada, Jordan, Thailand and Qatar.

The following table sets forth the bifurcation of revenue (geography-wise) for the fiscal years 2025, 2024 and 2023

(Rs. in Lakhs)

| Particulars                   | F.Y. ended<br>31st March,<br>2025 | % of<br>revenue | F.Y. ended<br>31 <sup>st</sup><br>March,<br>2024 | % of<br>revenue | F.Y. ended<br>31st March,<br>2023 | % of<br>revenue |
|-------------------------------|-----------------------------------|-----------------|--------------------------------------------------|-----------------|-----------------------------------|-----------------|
| <b><u>In India</u></b>        |                                   |                 |                                                  |                 |                                   |                 |
| Andhra Pradesh                | 10.79                             | 0.47%           | 0.27                                             | 0.01%           | -                                 | -               |
| Chhattisgarh                  | 2.72                              | 0.12%           | 0.06                                             | 0.00%           | -                                 | 0.00%           |
| Dadra & Nagar<br>Haveli       | 443.01                            | 19.41%          | 385.11                                           | 17.56%          | 529.59                            | 25.00%          |
| Delhi                         | 0.01                              | 0.00%           | 0.06                                             | 0.00%           | 0.08                              | 0.00%           |
| Goa                           | 2.09                              | 0.09%           | 1.13                                             | 0.05%           | 2.08                              | 0.10%           |
| Gujarat                       | 343.77                            | 15.06%          | 426.63                                           | 19.45%          | 553.32                            | 26.13%          |
| Haryana                       | 1.68                              | 0.07%           | 0.4                                              | 0.02%           | -                                 | -               |
| Himachal Pradesh              | 1.85                              | 0.08%           | 7.41                                             | 0.34%           | 4.5                               | 0.21%           |
| Jammu & Kashmir               | -                                 | -               | -                                                | -               | 0.3                               | 0.01%           |
| Karnataka                     | 13.18                             | 0.58%           | 10.17                                            | 0.46%           | 17.26                             | 0.81%           |
| Kerala                        | 277.96                            | 12.18%          | 290.11                                           | 13.23%          | 333.67                            | 15.75%          |
| Madhya Pradesh                | 30.68                             | 1.34%           | 31.6                                             | 1.44%           | 30.05                             | 1.42%           |
| Maharashtra                   | 883.81                            | 38.73%          | 609.96                                           | 27.81%          | 470.19                            | 22.20%          |
| Odisha                        | -                                 | -               | 0.01                                             | 0.00%           | -                                 | -               |
| Punjab                        | 1.19                              | 0.05%           | 0.28                                             | 0.01%           | 0.27                              | 0.01%           |
| Rajasthan                     | 20.77                             | 0.91%           | 3.89                                             | 0.18%           | 6.31                              | 0.30%           |
| Tamil Nadu                    | 35.60                             | 1.56%           | 47.89                                            | 2.18%           | 46.88                             | 2.21%           |
| Telangana                     | 0.77                              | 0.03%           | 1.4                                              | 0.06%           | 6                                 | 0.28%           |
| Uttarakhand                   | 54.51                             | 2.39%           | 40.12                                            | 1.83%           | 39.47                             | 1.86%           |
| Uttar Pradesh                 | 2.02                              | 0.09%           | 1.62                                             | 0.07%           | 0.33                              | 0.02%           |
| West Bengal                   | -                                 | -               | 0.34                                             | 0.02%           | -                                 | -               |
| <b>Total (A)</b>              | <b>2,126.42</b>                   | <b>93.17%</b>   | <b>1,858.46</b>                                  | <b>84.72%</b>   | <b>2,040.30</b>                   | <b>96.34%</b>   |
| <b><u>Other Countries</u></b> |                                   |                 |                                                  |                 |                                   |                 |
| Canada                        | 68.92                             | 3.02%           | 120.88                                           | 5.51%           | 40.79                             | 1.93%           |
| Chad                          | -                                 | -               | 57.77                                            | 2.63%           | -                                 | -               |
| Jordan                        | 21.39                             | 0.94%           | 9.3                                              | 0.42%           | 8.6                               | 0.41%           |
| Oman                          | -                                 | -               | 0.05                                             | 0.00%           | -                                 | -               |
| Peru                          | 0.01                              | 0.00%           | -                                                | -               | -                                 | -               |
| Qatar                         | 42.21                             | 1.85%           | 81.8                                             | 3.73%           | 3.17                              | 0.15%           |
| Saudi Arabia                  | -                                 | -               | -                                                | -               | 4.84                              | 0.23%           |
| Thailand                      | 23.26                             | 1.02%           | 65.38                                            | 2.98%           | 20.22                             | 0.95%           |
| <b>Total (B)</b>              | <b>155.79</b>                     | <b>6.83%</b>    | <b>335.18</b>                                    | <b>15.28%</b>   | <b>77.62</b>                      | <b>3.66%</b>    |
| <b>TOTAL (A+B)</b>            | <b>2,282.20</b>                   | <b>100.00%</b>  | <b>2,193.64</b>                                  | <b>100.00%</b>  | <b>2,117.92</b>                   | <b>100.00%</b>  |

### ***Focus on consistently meeting customer specification's & quality standards***

Our Company intends to focus on adhering to the customers' specifications and quality standards of the components. Continuous review of products at different stages to identify any deviations from the specifications and timely corrective measures in case of quality diversion are keys for maintaining quality standards of the products. Providing the desired customer specifications and good quality products help us in enhancing customer trust and maintaining long term relationships with customers. Also, continuously meeting the customer specifications and quality standards is essential to obtain repeat orders.

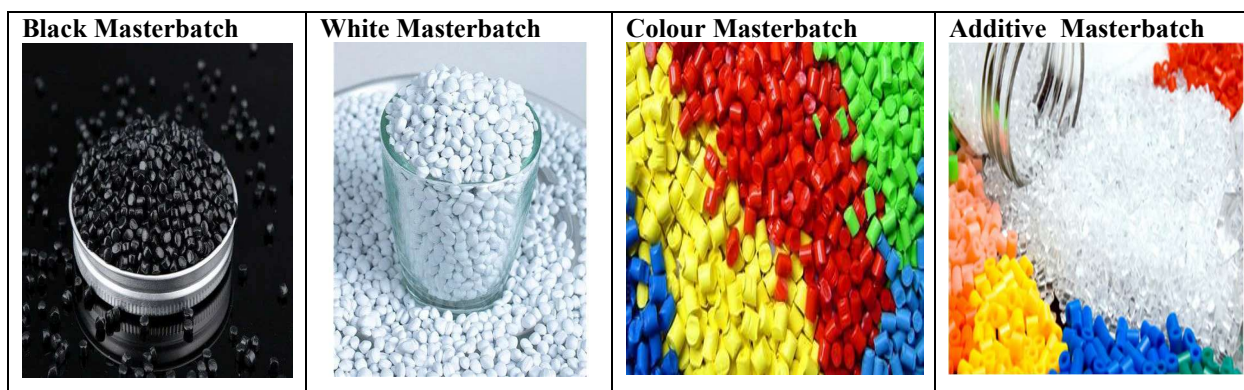
### **OUR PRODUCT OFFERINGS**

1. **Masterbatches** – Masterbatches are concentrated mixtures of pigments and additives that are uniformly dispersed in polymer carriers, facilitating the effective integration of colour and performance-enhancing properties into plastic products. During plastic processing, masterbatches enable the uniform dispersion of pigments within the plastic resin, ensuring consistent colour distribution throughout the final plastic product without uneven patches or variations. They are also used to enhance visual appearance and impart specific properties to plastic materials such as UV resistance, flame retardancy and anti-static behavior.

#### **Masterbatches manufactured by us can be categorized as below: -**

- **Colour Masterbatches** – Our Colour Masterbatches includes black, white and custom-coloured masterbatches designed for various applications. The Black Masterbatch, formulated with carbon black in varying concentrations, provides black colouration making it suitable for pipes, films and electrical applications. The White Masterbatch, composed of Titanium Dioxide (TiO<sub>2</sub>), offers opacity and brightness making it widely used in packaging, household goods and medical applications. Colour masterbatches are customized to achieve specific shades and hues as per industry and customer requirements, ensuring uniform colour distribution without streaks or inconsistencies in the final plastic product.
- **Additive Masterbatch** – Additive Masterbatches are concentrates of various chemical additives. They enhance the durability, functionality and processability of plastics by imparting essential properties such as UV protection, slip resistance, tackiness, flame retardancy, impact strength and improved extrusion capabilities. Additive masterbatches include UV Stabilizers, Slip/Anti-block agents, PIB Masterbatch, Flame Retardants, Impact Modifiers and PPA Masterbatch. UV-resistant masterbatches help protect plastics from degradation caused by exposure to sunlight. Flame-retardant masterbatches reduce flammability for applications that require fire resistance. Anti-static masterbatches minimize static electricity buildup, preventing dust accumulation and improving handling in electronic and packaging applications.
- **Special effect Masterbatches** - We also manufacture special effect masterbatches, which include metallic, pearlescent, marble, granite, fluorescent, glow-in-the-dark, transparent and translucent masterbatches. These masterbatches alter the appearance of plastic products by introducing different surface finishes and visual effects. Metallic and pearlescent masterbatches provide a reflective or glossy surface. Marble and granite effect masterbatches create texture variations to mimic natural materials. Fluorescent and glow-in-the-dark masterbatches enhance visibility in low-light conditions. Transparent and translucent masterbatches are used in applications that require controlled light transmission.
- **Filler Masterbatch** - Filler masterbatches, composed of calcium carbonate (CaCO<sub>3</sub>), talc, or other mineral fillers blended with a polymer carrier resin, are used to modify the mechanical properties and processing characteristics of plastic products. These masterbatches help improve rigidity, tensile strength and dimensional stability while contributing to cost optimization. They also support thermal resistance, reduce shrinkage and enhance printability, making them applicable in films, woven sacks, injection molding, thermoforming and extrusion.





2. **Pigments** - Pigments are solid, fine-particle colourants that impart colour to plastic products by dispersing evenly within the polymer matrix. They are categorized into organic and inorganic pigments, each offering different properties in terms of colour strength, heat stability and chemical resistance. Organic pigments are derived from carbon-based molecules and provide bright, vivid colours with good transparency. They are commonly used in applications requiring a broad colour range, such as consumer goods, packaging and textiles. Inorganic pigments, made from metal oxides and other mineral-based compounds, offer high opacity, durability and resistance to heat and chemicals, making them suitable for industrial applications, automotive components and construction materials. Pigments play a key role in plastic processing by ensuring uniform colouration, stability under different environmental conditions and resistance to fading. They are incorporated into masterbatches or directly into polymer blends for use in injection molding, extrusion, blow molding and other manufacturing processes.

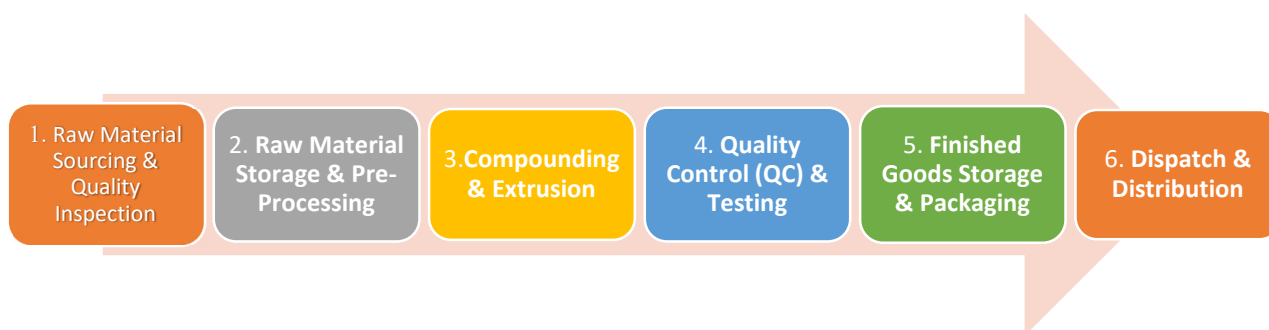


The following table sets forth the bifurcation of revenue (industry-wise) for the, fiscal years 2025, 2024 and 2023:

| <i>(Rs. in lakhs)</i> |                    |                |                |                |                |                |                |
|-----------------------|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| S. No                 | Product Categories | FY- 2024- 2025 | %              | FY- 2023- 2024 | %              | FY- 2022- 2023 | %              |
| 1.                    | Masterbatches      | 1920.83        | 84.17%         | 1805.04        | 82.29%         | 1678.00        | 79.23%         |
| 2.                    | Pigments           | 361.37         | 15.83%         | 388.60         | 17.71%         | 439.92         | 20.77%         |
|                       | <b>Total</b>       | <b>2282.20</b> | <b>100.00%</b> | <b>2193.64</b> | <b>100.00%</b> | <b>2117.92</b> | <b>100.00%</b> |

## OUR BUSINESS PROCESS

There are different stages that are involved in our manufacturing process, each stage being crucial and of utmost importance for the product to have its required quality and standard. We ensure quality control check at each of the manufacturing stages. Our manufacturing process consists of the following stages:



### 1. Raw Material Sourcing & Quality Inspection

- We procure Pigments (Carbon black, Titanium Dioxide), Polymers and additives from various suppliers.
- Each material undergoes rigorous quality checks:
  - **Pigments** – Tested for colour strength and stability.
  - **Polymers** – Checked for flow properties and specific gravity.
  - **Additives** – Evaluated for ash content and composition.

### 2. Raw Material Storage & Pre-Processing

- Approved materials are stored in designated storage areas.
- Raw materials are weighed and measured according to the production slip formula to maintain composition accuracy.

### 3. Compounding & Extrusion

- The weighed raw materials undergo compounding and extrusion, where they are melted, mixed and processed into masterbatch granules.

### 4. Quality Control (QC) & Testing

- Each batch undergoes strict QC testing to ensure compliance with industry standards.
- Key quality parameters include:
  - Shade consistency
  - Flow properties
  - Specific gravity
  - Granule size uniformity

### 5. Finished Goods Storage & Packaging

- Once approved, the masterbatch is stored in the finished goods warehouse.
- Packing quality is checked and labeling and documentation are verified to ensure compliance.

### 6. Dispatch & Distribution

- Final products are dispatched to customers.
- Customers have the option of transportation services or direct pickup from our facility.

## PLANT & MACHINERY

Our manufacturing facility comprises a vast array of plant and machineries, all of which are fully owned by the company. The list is as follows:

| S. No | Particulars               | Usage                       |
|-------|---------------------------|-----------------------------|
| 1.    | Compounding Machine NW32  | Production of Masterbatches |
| 2.    | Compounding Machine OW32  |                             |
| 3.    | Compounding Machine NC31  |                             |
| 4.    | Compounding Machine MCM29 |                             |

|    |                          |  |
|----|--------------------------|--|
| 5. | Compounding Machine 208K |  |
| 6. | Extruder 65              |  |
| 7. | Extruder Lubra           |  |
| 8. | Extruder JP              |  |

*Note: Each compounding machine consists of a Kneader machine, Trolley Conveyor, Feeder Unit and Extrusion Machine, while each extruder machine is equipped with a High-Speed Mixer and an Extruder.*

#### **Lab Testing Machineries and Equipment's**

| S. No | Particulars                     | Usage                            |
|-------|---------------------------------|----------------------------------|
| 1.    | Lab Injection Moulding Machines | Testing of colour                |
| 2.    | Carbon Content Tester           | Check carbon content in Black MB |
| 3.    | Gloss Meter                     | Measure gloss on an article      |
| 4.    | Spectrophotometer               | Colour comparison                |
| 5.    | Surface Resistivity Tester      | Measure surface resistivity      |
| 6.    | Flame Tester                    | Check Flame Retardant property   |

#### **INSTALLED CAPACITY & CAPACITY UTILISATION**

As of the date of this Red Herring Prospectus, we operate from our manufacturing facility (Unit-I and Unit-II) located at, Tungareshwar Industrial Estate, Palghar, Mumbai, Maharashtra with an aggregate total installed capacity of 1284000 Kg. Below are the details of the installed capacity and actual utilization.

##### **Unit-I (29-32 Tungareshwar Industrial Estate, Sativali, Vasai East, Palghar - 401208)**

| Particulars                 | F.Y. 2022-23 | F.Y. 2023-24 | F.Y. 2024-25 |
|-----------------------------|--------------|--------------|--------------|
| Installed Capacity (in kg)  | 1056000      | 1056000      | 1056000      |
| Actual Capacity (in kg)     | 877143       | 891395       | 903365       |
| Capacity utilization (in %) | 83.06%       | 84.41%       | 85.55%       |

*As certified by Mr. Karan Rajendra Mody, Chartered Engineer, through certificate dated July 15, 2025*

##### **Unit-II (12-15 Tungareshwar Industrial Estate, Sativali, Vasai East, Palghar - 401208)**

| Particulars                 | F.Y. 2022-23 | F.Y. 2023-24 | F.Y. 2024-25 |
|-----------------------------|--------------|--------------|--------------|
| Installed Capacity (in kg)  | 228000       | 228000       | 228000       |
| Actual Capacity (in kg)     | 178713       | 198508       | 205674       |
| Capacity utilization (in %) | 78.38%       | 87.06%       | 90.21%       |

*As certified by Mr. Karan Rajendra Mody, Chartered Engineer, through certificate dated July 15, 2025*

#### **SALES AND MARKETING:**

Our business operations and product offerings are exclusively focused on (B2B) segment. Given the limited physical access to B2B decision-makers, our initial point of engagement is through digital platforms, enabling seamless connectivity with potential clients. We are listed on various e-commerce portals, including India MART, Trade India, Just Dial, Exporters India, Dial4Trade and D&B allowing businesses to easily discover and connect with us. Additionally, we maintain direct relationships with the majority of our customers, ensuring a proper understanding of their technical requirements and customized solutions to meet their specific needs.

Also, we actively participate in exhibitions across India to expand our reach and engage with potential clients in new and untapped regions. Additionally, we operate one physical sales depot in Daman, where a range of standardized

products, including different colours, is readily available for direct takeaway, ensuring efficient customer service and immediate availability of key product offerings.

Here are some of the images highlighting our participation in exhibitions over the past few years.



**Plastivision 2023 (Mumbai)**



**Plastindia 2018 (Gandhinagar)**

For the Fiscal 2025, we marketed our products to around 16 states and 2 Union Territories in India, of which the majority portion comes from the regions including Maharashtra, Dadra & Nagar Haveli, Gujarat and Kerala. We also export to international markets, with destinations including Canada, Jordan, Qatar and Thailand. Canada accounted for the largest share of exports, followed by Qatar and Thailand.

### **COMPETITION:**

The industry in which we operate is highly competitive and fragmented, with the presence of both organized and unorganized players catering to various sectors, including packaging, automotive, plastic, consumer goods, textiles and industrial applications. We compete with both domestic and international manufacturers based on factors such as product quality, pricing, innovation, technical expertise and customer service.

Further some of our existing and potential competitors include large industry players with longer operating histories, better name recognition, greater influence over industry standards, access to a wider customer base and significantly greater financial, sales and marketing, etc. Some of our significant competitors in the organized segment includes Polylink Polymers (India) Ltd., Plastiblends India Ltd., Deep Polymers Limited and Poddar Pigments Ltd., along with several other established players in the domestic and international markets.

### **INFRASTRUCTURE & UTILITIES:**

**Raw Materials:** Our raw materials primarily include Pigments (Carbon black, Titanium Dioxide), Polymers, Plastic raw material (Polyethylene (PE)/Polypropylene (PP), (EVA) Ethylene Vinyl Acetate, (PET) Polyethylene Terephthalate, LLDPE, LDPE) and additives, which are essential components in the manufacturing of our masterbatch products. We procure these materials primarily from suppliers located in Maharashtra. The following table sets forth the bifurcation of purchase (geography-wise) for the fiscal years 2025, 2024 and 2023.

(Rs. in lakhs)

| Particulars            | F.Y. ended 31st March, 2025 | % of Purchase | F.Y. ended 31st March, 2024 | % of Purchase | F.Y. ended 31st March, 2023 | % of Purchase |
|------------------------|-----------------------------|---------------|-----------------------------|---------------|-----------------------------|---------------|
| <b><u>In India</u></b> |                             |               |                             |               |                             |               |
| Maharashtra            | 855.26                      | 81.60%        | 978.70                      | 76.47%        | 925.59                      | 78.51%        |

|                        |                 |                |                |                |                |                |
|------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|
| Dadra Nagar Haveli     | 39.70           | 3.79%          | 171.07         | 13.27%         | 32.67          | 2.77%          |
| Daman & Diu            | 0.02            | 0.00%          | 35.25          | 2.73%          | 104.98         | 8.90%          |
| Gujarat                | 135.41          | 12.92%         | 86.35          | 6.70%          | 80.06          | 6.79%          |
| Haryana                | 0.51            | 0.05%          | -              | -              | -              | -              |
| Madhya Pradesh         | -               | -              | -13.00         | -1.01%         | 0.39           | 0.03%          |
| Delhi                  | 3.05            | 0.29%          | 7.06           | 0.55%          | 4.04           | 0.34%          |
| Tamil Nadu             | -               | -              | 0.64           | 0.05%          | 1.41           | 0.12%          |
| Rajasthan              | -               | -              | 0.14           | 0.01%          | -              | -              |
| Uttarakhand            | -               | -              | -              | -              | 0.01           | 0.00%          |
| Uttar Pradesh          | 0.27            | 0.03%          | 0.53           | 0.04%          | 0.53           | 0.04%          |
| Karnataka              | 0.55            | 0.05%          | 0.18           | 0.01%          | 0.11           | 0.01%          |
| Telangana              | -               | -              | 0.69           | 0.05%          | 0.56           | 0.05%          |
| <b>Total (A)</b>       | <b>1,034.76</b> | <b>98.73%</b>  | <b>1267.61</b> | <b>99.04 %</b> | <b>1150.33</b> | <b>97.58%</b>  |
| <b>Other Countries</b> |                 |                |                |                |                |                |
| Vietnam                | 13.30           | 1.27%          | 12.25          | 0.95%          | 28.58          | 2.42%          |
| <b>Total B</b>         | <b>13.30</b>    | <b>1.27%</b>   | <b>12.25</b>   | <b>0.96%</b>   | <b>28.58</b>   | <b>2.42%</b>   |
|                        |                 |                |                |                |                |                |
| <b>Total (A+B)</b>     | <b>1048.06</b>  | <b>100.00%</b> | <b>1279.85</b> | <b>100%</b>    | <b>1178.91</b> | <b>100.00%</b> |

**Power:** The requirement of power for our operations, like power for lighting and operating the plant/machinery/equipment is met through the state electricity board i.e. Mahavitaran (Maharashtra State Electricity Distribution Co. Ltd.)

**Water:** The existing water requirement for our factory units is met using local sources.

**Manpower:** As of June 30, 2025, we had a total of 32 permanent employees in our Company. Our Company does not employ any contract labourers.

Following is the department-wise breakup of permanent employees as of June 30, 2025: -

| Department           | Number of Employees (Permanent) |
|----------------------|---------------------------------|
| Finance & Accounts   | 3                               |
| Sales & Marketing    | 5                               |
| Production Manager   | 2                               |
| Factory Workers      | 14                              |
| Research Technicians | 4                               |
| Other Staff          | 3                               |
| Company Secretary    | 1                               |
| <b>Total</b>         | <b>32</b>                       |

Further, we do not engage any contract labours.

### **PROPERTY:**

#### **Intellectual Property**

Some of the trademarks which are applied for registration:

| S. No | Brand Name/Logo Trademark                                                          | Class | Registration/ Application Number and date | Authority                    | Current Status       |
|-------|------------------------------------------------------------------------------------|-------|-------------------------------------------|------------------------------|----------------------|
| 1.    |   | 17    | 6747220<br>December 09, 2024              | Trade Marks Registry, Mumbai | Formality Check Pass |
| 2.    | MEHUL COLOURS                                                                      | 17    | 6747219<br>December 09, 2024              | Trade Marks Registry, Mumbai | Formality Check Pass |
| 3.    |  | 1     | 6747218<br>December 09, 2024              | Trade Marks Registry, Mumbai | Formality Check Pass |
| 4.    | MEHUL COLOURS                                                                      | 1     | 6747217<br>December 09, 2024              | Trade Marks Registry, Mumbai | Formality Check Pass |

#### **IMMOVABLE PROPERTIES**

The following are the details of the material properties owned/ leased/ rented by the company

| Sr. No. | Usage                  | Address                                                                                                              | Owned / Leased / Rented                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------|------------------------|----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Manufacturing Unit - I | Unit No. 29 to Unit No. 32, Building Amarnath, Tungreshwar Industrial Estate, Sativali, Vasai East, Palghar - 401208 | The units (i.e. 29,30 and 31-32) has been obtained on rent vide 3 separate Leave and License Agreements, each dated December 09, 2024. These units have been obtained on rent from the property owners namely, Mehul Joshi, Usha Pravinchandra Joshi and Pravinchandra Joshi for a period of five years, effective from July 01, 2024 to June 30, 2029. As of the date of the RHP, the monthly cumulative consideration paid toward the property rent is ₹140,000 p.m. |

|    |                                            |                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2. | Manufacturing Unit - II and R&D Laboratory | Unit No. 12 to Unit No. 15, Building Saraswati, Tungareshwar Industrial Estate, Sativali, Vasai East, Palghar - 401208 | The Units (i.e. 12-13 and 14-15) has been obtained on rent vide 2 separate Leave and License Agreements, each dated December 09, 2024. These units have been obtained on rent from the property owners namely, Mehul Joshi and Bhakti Mehul Joshi for a period of five years, effective from July 01, 2024 to June 30, 2029. As of the date of the RHP, the monthly cumulative rent consideration is ₹140,000 p.m.                                                         |
| 3. | Registered Office                          | Office No. A-305-306, Kemp Plaza, Mindspace off link road, Malad West, Mumbai – 400064                                 | Obtained on rent vide Leave and License Agreement dated December 09, 2024, from the joint owners namely Mehul Joshi and Bhakti Mehul Joshi for a period of five years effective from July 01, 2024 to June 30, 2029. As of the date of the RHP, the monthly rent is ₹140,000 p.m.                                                                                                                                                                                          |
| 4. | Godown                                     | Gala No. 33, Building Ganga, Tungareshwar Industrial Estate, Sativali, Vasai East, Palghar - 401208                    | Obtained on rent vide Leave and License Agreement dated May 01, 2024, from the owner Deepakk Mulchand Chawla for a period of five years, effective from May 05, 2024, to May 04, 2029. As of the date of the RHP, the monthly consideration is ₹38,000 p.m. for the year.                                                                                                                                                                                                  |
| 5. | Sales Depot (Daman)                        | Shop No. 03, having DGGP House No. 31/F-1, Laxmi Kripa Apartment -1, Ringanwada, Nani Daman, District Daman            | Obtained on Lease vide agreement dated January 21, 2025 from the owner Amisha Gopal Tandel alias Amisha Gopal for a period of 11 months effective from August 01, 2024. As of the date of the RHP, the monthly consideration is ₹15,576 p.m. (i.e., Rs. 13,200/- monthly rent and Rs. 2,376/- GST)                                                                                                                                                                         |
| 6. | (Leased Out Property) *                    | Gala No:9, Building No. 12, HDIL Industrial Area, Chandansar, Virar, Palghar, 401303                                   | Owned                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 7. | Land (For Proposed Expansion)              | Survey No. 38/2, Village Majivali, Taluka Vasai, District Palghar, Maharashtra                                         | Owned                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 8. | Godown                                     | Gala no. 27, Ground Floor, Jamuna Building, Tungareshwar Industrial Estate, Vasai Road, Sativali, Palghar, Maharashtra | Obtained on rent vide leave and license agreement dated June 30, 2025 from the owners, Vora Pankaj Gunvantrai and Vora Naina Ashwin for a period of 60 months , effective from July 01, 2025 to June 30, 2030. As of date of RHP, the monthly consideration is Rs. 39,000 p.m. for the first 12 months. It will be Rs. 41,000 p.m. for the next 12 months, Rs.43,000 p.m. for the next 12 months, Rs. 45,000 for the next 12 months and Rs. 47,000 for the next 12 months. |

\* The said property is let out by our Company to Vinayak Enterprises vide Leave and Licence Agreement dated March 27, 2025 for a period of 36 Months w.e.f. April 01, 2025 at existing rent of Rs. 43,000 p.m.

## **Insurance**

Our operations are subject to some inherent operational risks such as equipment failure, work accident, fire, earthquake, flood and other force majeure events that may cause injury or loss of life, severe damage to or destruction of property/equipment and environmental damage. Our significant insurance policies consist of, among others, insurance policy of Plant and Machinery, Building, Furniture and Fixtures, Fitting and other Equipment's and Stock Insurance (New India Bharat Sookshma Udyam Suraksha Policy), Workmen Compensation Policy (from ICICI Lombard) and Keymen Insurance (LIC Unit Linked Plan). Our insurance policies may not be sufficient to cover our economic loss. For further details, kindly refer the section on "Risk Factors - Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business" on page 39 of this Red Herring Prospectus. Our insurance coverage may not adequately protect us against all material hazards, which may affect our business, results of operations and financial condition.



## **KEY INDUSTRY REGULATIONS AND POLICIES**

*Except as otherwise specified in this Red Herring Prospectus, we are subject to several central and state legislations which regulate substantive and procedural aspects of our business.*

*Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business. Taxation statutes such as the I.T. Act, GST and applicable Labour laws, contractual laws and intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive and are only intended to provide general information to Investors and are neither designed nor intended to be a substitute for professional legal advice.*

### **APPROVALS**

For the purpose of the business undertaken by our Company, it is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “**Government and Other Statutory Approvals**” beginning on page number 223 of this Red Herring Prospectus.

### **BUSINESS AND/OR KEY INDUSTRY AND/OR TRADE RELATED LAWS AND REGULATIONS**

#### **Plastic Waste Management (PWM) Rules, 2018, as amended**

The Government of India, through the Ministry of Environment, Forest and Climate Change notified the Plastic Waste Management Rules, 2018, as amended. This supersedes the Plastic Waste (Management and Handling) Rules, 2016 that governed such activities earlier. It is applicable to every waste generator, local body, Gram Panchayat, manufacturer, importers and producer. This provides the framework for how plastic waste generators, manufacturers, importers etc. shall manage plastic waste.

#### **The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 (The ‘MSIHC Rules’)**

The MSIHC Rules are applicable to an industrial activity in which a hazardous chemical is involved or stored isolated in a quantity equal to or more than the threshold quantity as per the given specification. The occupier shall notify the concerned authority within 48 hours in case of a major accident on site or in a pipeline and furnish thereafter to the concerned authority a report related to the accident. The occupier shall also notify the precautionary steps taken to avoid any repetition of such occurrence on a site.

#### **The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996**

The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996, were introduced under the Environment (Protection) Act, 1986, to mitigate risks and manage emergencies involving hazardous chemicals in India. The rules establish multi-tiered Crisis Groups at the central, state, district and local levels to identify hazardous sites, evaluate risks and create on-site and off-site emergency plans. They also mandate industries handling hazardous chemicals to notify authorities, conduct safety drills and implement robust safety measures. The rules emphasize public awareness, inter-agency coordination and training to enhance preparedness and ensure rapid response during chemical emergencies, thus protecting human health, property and the environment.

#### **The Factories Act, 1948**

The Factories Act, 1948, as amended, defines a “factory” to cover any premises which employs 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power or any premises where at least 20 workers are employed and where a manufacturing process is carried on without the aid of power. Each state government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration/licensing thereof. The Factories Act provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of the provisions of the Factories Act.

### **The Legal Metrology Act, 2009 (“Legal Metrology Act”)**

The Legal Metrology Act, 2009 came into effect on January 14, 2010 and has repealed and replaced the Standard of Weights and Measures Act, 1976 and the Standards of weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters incidental thereto. The Legal Metrology Act, inter alia, provides for: (a) approval of model of weight or measure; (b) verification of prescribed weight or measure by Government approved Test Centre; (c) exempting regulation of weight or measure or other goods meant for export; (d) nomination of a Director by a company who will be responsible for complying with the provisions of the enactment; (e) empowering the Central Government to make rules for enforcing the provisions of the enactment; and (f) penalty for offences and compounding of offences.

### **The Legal Metrology (Packaged Commodities) Amendment Rules, 2017**

The Legal Metrology (Packaged Commodities) Rules, 2011 framed under the Legal Metrology Act lay down specific provisions applicable to packages intended for retail sale, wholesale packages and for export and import of packaged commodities and also provide for registration of manufacturers and packers. Further, the Legal Metrology (Packaged Commodities) Amendment Rules, 2017 lay down specific provisions for e-commerce transactions and online sale of packaged commodities.

### **Guidelines on Extended Producer Responsibility for Plastic Packaging (“Guidelines”)**

These Guidelines for plastic packaging vide Plastic Waste Management Amendment Rules, 2022 notified on February 16, 2022, provide a framework for implementation of Extended Producer Responsibility (EPR) and stipulate mandatory targets on EPR, recycling of plastic packaging waste, reuse of rigid plastic packaging and use of recycled plastic content. The Guidelines provide the roles and responsibilities of producers, importers, brand owners, Central Pollution Control Board, State Pollution Control Board or Pollution Control Committees, recyclers and waste processors for effective implementation of EPR.

### **The Bureau of Indian Standards Act, 2016 (the “BIS Act”)**

The BIS Act was notified on March 22, 2016 and came into effect from October 12, 2017. The BIS Act establishes the Bureau of Indian Standards (BIS) as the National Standards Body of India. It has broadened BIS’s ambit and allows the Central Government to make it mandatory for certain notified goods, articles, processes etc. to carry standard marks.

### **The Bureau of Indian Standards Rules, 2018 (the “Bureau of Indian Standards Rules”)**

The Bureau of India Standards Rules, 2018, as amended, have been notified, in supersession of the Bureau of Indian Standards Rules, 1987, in so far as they relate to Chapter IV A of the said rules relating to registration of the articles notified by the Central Government and in supersession of the Bureau of Indian Standards Rules, 2017 except in relation to things done or omitted to be done before such supersession. Under the Bureau of Indian Standards Rules, the bureau is required to establish Indian standards in relation to any goods, article, process, system or service and shall reaffirm, amend, revise or withdraw Indian standards so established as may be necessary

### **The Public Liability Insurance Act, 1991 and the Public Liability Insurance Rules, 1991**

The Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the law, the owner or handler is also required to take out an insurance policy insuring against liability. The rules made under this Act mandate the employer to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

### **The Micro, Small and Medium Enterprises Development Act, 2006**

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the Act was enacted. With effect from July 01, 2020 the Manufacturing enterprises and enterprises rendering Services have been re-classified as Micro enterprise, where the investment in plant and machinery does not exceed Rs.1 Crore and annual turnover does not exceed Rs. 5 Crore; Small enterprise, where the investment in plant and machinery does not exceed Rs.10 crore and annual turnover does not exceed Rs. 50 Crore; a medium enterprise, where the investment in plant and machinery does not exceed Rs. 50 crore and annual turnover does not exceed Rs. 250 Crore.

## **LAWS RELATING TO SPECIFIC STATE WHERE ESTABLISHMENT IS SITUATED**

### **Maharashtra Plastic and Thermocol Products (Manufacture, Usage, Sale, Transport, Handling and Storage) Notification, 2018**

The Maharashtra Plastic and Thermocol Products (Manufacture, Usage, Sale, Transport, Handling and Storage) Notification, 2018 was introduced to combat plastic pollution in the state by imposing a ban on certain plastic and thermocol products. It prohibits the manufacture, use, sale, transport, handling and storage of single-use plastic items, such as plastic carry bags, disposable plates, cups, straws, cutlery and thermocol products like decorations and disposable tableware. However, exemptions are provided for specific uses, including plastic for packaging medicines, food-grade materials, compostable plastics certified by the Central Pollution Control Board (CPCB), garbage bin liners above 50 microns and PET bottles with recycling codes. Industrial plastic products used for export or specific production processes are also exempt. Manufacturers and producers are required to register with the Maharashtra Pollution Control Board (MPCB) and adhere to the rules to promote sustainable alternatives and ensure environmental compliance.

### **The Maharashtra Fire Prevention and Life Safety Measures Act, 2006**

According to the Maharashtra Fire Prevention and Life Safety Measures Act, 2006, any person intending to hold construction/building of more than fifteen meters in height for business or commercial plans must apply for a fire no objection certificate to the Chief Fire Officer. The form has to be duly authorised before submission along with the relevant building plans to the sanctioned authority which is the Local Municipal Corporation under the state law.

### **Shops and Establishments laws in various states**

As per the provisions of local Shops and Establishments law applicable in the State Daman & Diu, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

### **Stamp Act in various states**

The purpose of the Stamp Act was to streamline and simplify transactions of immovable properties and securities by the State Government. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments

listed in Schedule IA of the Stamp Act. Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the states. Therefore, the State Government of Maharashtra and Union Territory of Daman & Diu, is empowered to prescribe or alter the stamp duty as per their need.

### **Professions, Trade, Callings and Employments Act in various states**

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 Maharashtra, 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 income of individuals, profits of business or gains of vocations. 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 persons 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 persons and employer has to obtain the registration from the assessing authority in the prescribed manner.

### **Municipal Corporation Acts Municipal Councils Act of the jurisdictions in the states in which the company has its operations.**

Trade Licenses are given by the Local Municipal Corporations / Councils in whose jurisdiction a business activity is sought to be commenced. Trade Licenses help in monitoring and regulation of businesses to prevent violations of laws and maintain public order: to check that the company is not working or running beyond the permitted scope of work, to determine that the business is not running or working in violation of any law, to control the activities of the business so that it cannot cause any nuisance to the general public and to ensure compliance with the law and order.

## **ENVIRONMENTAL LEGISLATIONS**

### **The Environment Protection Act, 1986 and Environment (Protection) Rules, 1986**

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for coordination of the activities of various Central and State authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exist among water, air and land and human beings and other living creatures such as plants, micro-organisms and property. Further, the Ministry of Environment and Forests looks into Environment Impact Assessment. The Ministry receives proposals for expansion, modernization and setting up of projects and the impact which such projects would have on the environment which is assessed by the Ministry in detail before granting clearances for such proposed projects.

### **National Environmental Policy, 2006**

This Policy seeks to extend the coverage and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource.

### **The Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")**

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, who is empowered to establish standards and conditions that are required to be complied with.

### **The Air (Prevention and Control of Pollution) Act, 1981 (the “Air Act”)**

The Air (Prevention and Control of Pollution) Act, 1981 has been enacted to provide for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board.

### **Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 (“Hazardous Wastes Rules”)**

The Hazardous Wastes Rules impose an obligation on every occupier of an establishment generating hazardous waste to recycle or reprocess or reuse such wastes in a registered recycler or to dispose of such hazardous wastes in an authorized disposal facility. Every person engaged, inter alia, in the generation, processing, treatment, package, storage and destruction of hazardous waste is required to obtain an authorization from the relevant state PCB for collecting, recycling, reprocessing, disposing, storing and treating the hazardous waste.

### **E-Waste Management Rules, 2022**

Ministry of Environment, Forest and Climate Change notified the E-Waste Management Rules, 2022 on 2nd November 2022 to ensure 'environmentally sound management of e-waste' by taking all steps required to ensure that e-waste is managed in a manner which shall protect health and environment against any adverse effects, which may result from such e-waste. The term 'e-waste' has been defined to mean electrical and electronic equipment, including solar photo-voltaic modules or panels or cells, whole or in part discarded as waste, as well as rejects from manufacturing, refurbishment and repair processes. The entities shall register on the portal in any of the following categories, namely: (a) manufacturer; (b) producer; (c) refurbisher; or (d) recycler. No entity falling under aforesaid categories shall carry out any business without registration. On registration, these entities shall not deal with any unregistered manufacturer, producer, recycler and refurbisher. These Rules have detailed the Responsibilities of the manufacturers, producers, refurbishers and recyclers. The Department of Industry in the State and Union territory or any other government agency authorised in this regard by the State Government or the Union territory, as the case may be, shall ensure earmarking or allocation of industrial space or shed for e-waste dismantling and recycling in the existing and upcoming industrial park, estate and industrial clusters. Any person, who provides incorrect information required under these rules for obtaining extended producer responsibility certificates, uses or causes to be used false or forged extended producer responsibility certificates in any manner, willfully violates the directions given under these rules or fails to cooperate in the verification and audit proceedings, may be prosecuted under section 15 of the Act, 1986.

## **TAX RELATED LEGISLATIONS**

### **Income Tax Act, 1961 (The “IT Act”)**

The IT Act is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made thereunder depending upon its Residential Status and Type of Income involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company

which is assessed to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by October 31<sup>st</sup> of each assessment year.

### **The Goods and Services Tax Act, 2017 (The “GST Act”)**

The GST Act levies indirect tax throughout India to replace many taxes levied by the Central and State Governments. The GST Act was applicable from July 1, 2017 and combined the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state are levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

### **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 IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administered by Central Board of Excise and Customs under the Ministry of Finance.

## **EMPLOYMENT AND LABOUR LAWS**

### **The Employees’ Compensation Act, 1923 (‘EC Act’)**

The Employees’ Compensation Act, 1923 provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the EC Act, the amount of compensation to be paid depends on the nature and severity of the injury. The EC Act also lays down the duties/obligations of an employer and penalties in cases of non-fulfilment of such obligations. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees’ Compensation a report regarding any fatal or serious bodily injury suffered by an employee within 7 days of death/serious bodily injury.

### **The Employees’ State Insurance Act, 1948 (‘ESI Act’)**

It is an Act to provide for certain benefits to employees in case of sickness, maternity and ‘employment injury’ and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employers and employees both are required to make contributions to the fund. The return of the contribution made is required to be filed with the Employees’ State Insurance Corporation.

### **Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act)**

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident

Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make an equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees' Provident Scheme, 1952.

### **Payment of Gratuity Act, 1972**

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which 10 or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which 10 or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this Act has become applicable shall be continued to be governed by this Act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five-year period shall be relaxed in case of termination of service due to death or disablement.

### **Maternity Benefit Act, 1961**

The Act provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The Act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which 10 or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this Act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "Act")**

In order to curb the rise in sexual harassment of women at workplace, this Act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms 'sexual harassment' and 'workplace' are both defined in the Act. Every employer should constitute an "Internal Complaints Committee" and every officer and member of the Committee shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

### **Child Labour (Prohibition and Regulation) Act, 1986 (the "CLPR Act")**

The CLPR Act seeks to prohibit the engagement of children in certain occupations and to regulate the conditions of work of children in certain other occupations. Part B of the Schedule to the CLPR Act strictly prohibits employment of children in cloth printing, dyeing and weaving processes and cotton ginning and processing and production of hosiery goods.

## **EMPLOYMENT AND LABOUR LAWS CODIFICATION**

### **The Code on Wages, 2019**

The Code received the assent of the President of India on August 8, 2019. The provisions of the Code shall come into effect from the date notified in the Official Gazette by the Central Government. This code will replace the four existing ancient laws namely (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965 and (iv) the Equal Remuneration Act, 1976. This code will apply to all employees and allows the Central Government to set a minimum statutory wage.

### **Occupational Safety, Health and Working Conditions Code, 2019**

The Government of India enacted 'The Occupational Safety, Health and Working Conditions Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume 13 labour 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, that concern our business.

### **Industrial Relations Code, 2020**

The Government of India enacted 'The Industrial Relations Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946.

### **Code on Social Security, 2020**

The Government of India enacted 'The Code on Social Security, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume nine separate 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 and the Payment of Gratuity Act, 1972.

## **INTELLECTUAL PROPERTY LEGISLATIONS**

### **Trade Marks Act, 1999 ("TM Act")**

The Trademarks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

### **Copyright Act, 1957 ("Copyright Act")**

The Copyright Act, 1957, along with the Copyright Rules, 1958, (collectively, "Copyright Laws") governs copyrights subsisting in original literary, dramatic, musical or artistic works, cinematograph films and sound recordings, including computer programmes, tables and compilations including computer databases. Computer programme constitutes a literary work under Indian law and is afforded copyright protection and the owner of such computer programme becomes entitled to protect his works against unauthorized use and misappropriation of the copyrighted work or a substantial part thereof. Any act of this nature entitles the copyright owner to obtain relief from a court of law including injunction, damages and accounts of profits. Further, copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work and once registered, copyright protection remains valid until expiry of sixty years from the demise of the author. Reproduction of a copyrighted computer programme for sale or hire or trade exhibit in public or distribution or commercial rental, offer for sale or commercial rental, issuing copy(ies) of the computer programme or making an adaptation of the work without consent of the



copyright owner amounts to infringement of the copyright. However, the Copyright Act prescribes certain fair use exceptions which permit certain acts, which would otherwise be considered copyright infringement.

### **The Patents Act, 1970**

The Patents Act, 1970 (“Patents Act”) governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. Section 39 of the Patents Act also prohibits any person resident in India from applying for a patent for an invention outside India without making an application for a patent for the same invention in India. The term of a patent granted under the Patents Act pursuant to Section 53 is for a period of twenty years from the date of filing of the application for the patent. A patent shall cease to have effect if the renewal fee is not paid within the period prescribed for the payment of such renewal fee. While the Patents Act prohibits patentability of a ‘computer programme’ as such, computer programmes in combination with novel hardware could be considered patentable depending on the substance of the invention and applicable provisions of the Patents Act. Computer programmes on their own are excluded from patent protection and are protected as a literary work under the Copyright Laws. In terms of the Patent Act, the patentee holds the exclusive right to prevent third parties from the using, offering for sale, selling or importing for such purposes, the patented product or product obtained directly by a process patented in India.

## **FOREIGN INVESTMENT LAWS**

### **Foreign Trade (Development and Regulation) Act, 1992**

The FTDR is the main legislation concerning foreign trade in India. The FTDR, read along with the Foreign Trade (Regulation) Rules, 1993, 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. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given wide powers to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The FTDR read with the Foreign Trade Policy, 2023, prohibits anybody from undertaking any import or export except under an importer-exporter code (“IEC”) number granted by the Director General of Foreign Trade. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority. An IEC number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract a penalty under the FTDR.

### **Foreign Exchange Management Act, 1999 & Rules thereunder**

Foreign investment in India is governed primarily by the provisions of the FEMA and the rules, regulations and notifications thereunder, as issued by the RBI from time to time and the FEMA Rules and the Consolidated FDI Policy. In terms of the Consolidated FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which the foreign investment is sought to be made. In terms of the Consolidated FDI Policy, the work of granting government approval for foreign investment under the Consolidated FDI Policy and FEMA has now been entrusted to the concerned administrative ministries/departments.

The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 as amended in 2019, provide that the total holding by any individual NRI, on a repatriation basis, shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or

share warrants; provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

## **ANTI-TRUST LAWS**

### **Competition Act, 2002**

The Act is to prevent practices having adverse effects on competition, to promote and sustain competition in markets, to protect interest of consumers and to ensure freedom of trade in India. The Act deals with prohibition of anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

## **GENERAL LAWS**

Apart from the above list of laws, which is inclusive in nature and not exhaustive, general laws like the following are also applicable to our Company:

The Bharatiya Nyaya Sanhita, 2023  
The Bharatiya Nagarik Suraksha Sanhita, 2023  
The Bharatiya Sakshya Adhiniyam, 2023  
Negotiable Instrument Act 1881  
Consumer Protection Act 2019  
Transfer of Property Act, 1882  
Information Technology Act, 2000  
Companies Act, 2013  
The Sale of Goods Act, 1930  
The Registration Act, 1908  
The Indian Contract Act, 1872  
The Specific Relief Act, 1963  
Competition Act, 2002  
Electricity Act, 2003  
Maharashtra Factories Rules, 1963  
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952  
The Industrial Disputes Act, 1947  
The Unorganised Workers Social Security Act, 2008

## **HISTORY AND CORPORATE STRUCTURE**

### **Brief history of our Company**

Our Company was incorporated as “Mehul Colours and Masterbatches Private Limited” on December 12, 1995, under the provisions of the Companies Act, 1956, pursuant to a Certificate of Incorporation issued by Registrar of Companies, Maharashtra. Thereafter, our Company was converted from private limited to public limited, pursuant to special resolution passed by the shareholders of the Company at the Extraordinary General meeting held on December 02, 2024 and the name of our Company was changed from “Mehul Colours and Masterbatches Private Limited” to “Mehul Colours and Masterbatches Limited” vide fresh certificate of incorporation dated December 16, 2024 issued by the Registrar of Companies, Central Processing Centre. Subsequently, the name of our Company was changed from “Mehul Colours and Masterbatches Limited” to “Mehul Colours Limited”, pursuant to a Special Resolution passed by the shareholder at the Extraordinary General meeting held on January 04, 2025 vide fresh Certificate of Incorporation issued by the Registrar of Companies, Central Processing Centre, as on January 9, 2024. The Corporate identification number of our Company is U25209MH1995PLC095225.

The Initial subscribers to Memorandum of Association of Our Company were Pravinchandra Girdharlal Joshi, Usha Pravinchandra Joshi and Mehul Pravinchandra Joshi. The Present Promoters of the Company are Mehul Pravinchandra Joshi and Bhakti Mehul Joshi.

### **Address of the Registered Office:**

Unit No - A 305,306, Kemp Plaza, Link Road, Chincholi Bunder Road, Mind Space, Near Evershine Mall, Malad West, Mumbai, Maharashtra, India, 400064.

### **Changes in Registered Office of the Company:**

Except as disclosed below, there has been no change in our Registered Office since incorporation.

| <b>Effective Date</b> | <b>From</b>                                                                 | <b>To</b>                                                                                                                                          | <b>Reason for Change</b>   |
|-----------------------|-----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| June 10, 2024         | 305, Vinay Ind. Estate, Chincholi Bunder Road, Malad (west), Bombay-400 064 | Unit No - A 305,306, Kemp Plaza, Link Road, Chincholi Bunder Road, Mind Space, Near Evershine Mall, Malad West, Mumbai, Maharashtra, India, 400064 | Administrative convenience |

### **Main Objects of Our Company:**

The main objects of our Company are as follows:

1. To take over the running business of proprietary concern of applicant director of M/S MEHUL COLOUR CHEM.
2. To carry on in India or elsewhere the business to manufacture, process, produce ,formulate, mix, blend, disinfect, clean, wash, dilute, dye, concentrate, compound, segregate, pack, repack, add, remove, heat, grade, design, develop, distribute, display, melt, improve, mould, blow, extrude, draw, derive, discover, fabricate, treat, work, manipulate, prepare, promote, super wise, supply, import, export, acquire, barter, store, forward, buy, sell, turn to account and market Masterbatches & Colour concentrates, plastic compounds, plastic lubricants, anti- blocking agents, flow improvers, anti-static agents, pigments, wetting and dispersing agents, synthetic waxes, mould releasing agents, viscosity controllers required for manufacture of all types of plastic/polymers/synthetic products and other goods, articles and things, their compounds, byproducts, co-products, formulations, intermediates, ingredients, residue, mixture & blends and-other allied chemicals and to do all incidental acts and things necessary for the attainment of forgoing objects and to act ag agent, broker, representative s concessionaires, consultant, collaborator, franchiser, job worker or otherwise to deal in all varieties, Characteristic, descriptions, strength, applications, colours and use of masterbatches & colour concentrates.

### Amendments to the Memorandum of Association

The following amendments have been made to the Memorandum of Association of our Company since Incorporation:

| Date of Shareholder's Resolution | Nature of Amendments                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| April 04, 1996                   | Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹10,00,000 divided into 10,000 Equity Shares having face value of ₹ 10/- each to ₹25,00,000 divided into 2,50,000 Equity Shares having face value of ₹10/- each.                                                         |
| March 24, 2000                   | Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹ 25,00,000 divided into 2,50,000 Equity Shares having face value of ₹ 10/- each to ₹ 30,00,000 divided into 3,00,000 Equity Shares having face value of ₹10/- each.                                                     |
| September 30, 2024               | Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹ 30,00,000 divided into 3,00,000 Equity Shares having face value of ₹ 10/- each to ₹ 11,00,00,000 divided into 1,10,00,000 Equity Shares having face value of ₹10/- each.<br>Adoption of MOA as per Companies Act, 2013 |
| December 02, 2024                | Clause I of our Memorandum of Association was amended to reflect the change in our name from 'Mehul Colours and Masterbatches Private Limited' to 'Mehul Colours and Masterbatches Limited' pursuant to conversion of our Company from a private limited company to a public limited company.                                                              |
| January 04, 2025                 | Clause I of our Memorandum of Association was amended to reflect the change in our name from 'Mehul Colours and Masterbatches Limited' to 'Mehul Colours Limited' pursuant to name change of the Company.                                                                                                                                                  |

### Adopting new Articles of Association of the Company:

Our Company has adopted a new set of Articles of Association of the Company in accordance with applicable provisions of the Companies Act 2013 in the Extra Ordinary General Meeting of the Company dated December 02, 2024.

### Major events and milestones of our Company:

The table below sets forth some of the major events in the history of our company:

| Year/ F.Y. | Key Events/ Milestone/ Achievements                                                                                                                                                                                              |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1995       | Incorporation of our company under the name of "Mehul Colours and Masterbatches Private Limited" following the acquisition of the ongoing business of the proprietary concern, M/S Mehul Colour Chem.                            |
| 2022       | Crossed revenue of Rs. 20 Crores.                                                                                                                                                                                                |
| 2024       | Conversion of company from Private Limited to Public Limited in consequence of such conversion, name of our company changed from "Mehul Colours and Masterbatches Private Limited" to "Mehul Colours and Masterbatches Limited". |
| 2025       | The name of the Company was changed from 'Mehul Colours and Masterbatches Limited' to 'Mehul Colours Limited'.                                                                                                                   |

### Corporate profile of our Company:

For details of our Company's activities, services, growth, awards & recognitions, technology, marketing strategy, competition and our customers, please refer section titled ***"Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and "Basis for Issue Price"*** on pages 111, 211 and 92

respectively of this Red Herring Prospectus. For details of our management and managerial competence and shareholding of our Promoters, please refer to sections titled “*Our Management*” and “*Capital Structure*” beginning on page 137 and 67 of the Red Herring Prospectus respectively.

**Time and Cost Overruns in Setting up Projects:**

Our Company has not experienced any significant time and cost overrun in setting up projects.

**Our holding company:**

As on the date of this Red Herring Prospectus, our Company does not have a holding company.

**Our Associates and Joint Ventures:**

As on date of this Red Herring Prospectus, our Company does not have any associates and joint ventures.

**Our Subsidiary Company:**

As on date of this Red Herring Prospectus, Our Company does not have any Subsidiary Company.

**Accumulated profits or losses:**

As on the date of this Red Herring Prospectus, there are no accumulated profits or losses of the firm that have not been accounted for or consolidated by our Company.

**Strategic or Financial Partnerships:**

As on the date of this Red Herring Prospectus, Our Company does not have any strategic or financial partnerships.

**Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks:**

As on the date of the Red Herring Prospectus, there have been no defaults or rescheduling of borrowings with any financial institutions/banks.

**Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc.**

Our Company has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years preceding the date of this Red Herring Prospectus.

**Shareholders Agreements**

There are no subsisting shareholder’s agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Red Herring Prospectus.

**Agreement with key managerial personnel or Directors or Promoters or any other employee of the Company**

There are no agreements entered into by key managerial personnel or Directors or Promoters or any other employee, 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 the Company.

**Other Material Agreements**

Our Company has not entered into any subsisting material agreements including with strategic partners, joint venture partners and/or financial partners, entered into, other than in the ordinary course of business of the Company.

## OUR MANAGEMENT

### Board of Directors:

The following table sets forth details regarding our Board as on the date of filing of this Red Herring Prospectus:

| Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Other directorships                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| <p><b>Mehul Pravinchandra Joshi</b></p> <p><b>Designation:</b> Chairman &amp; Managing Director</p> <p><b>Age:</b> 49 years</p> <p><b>Date of Birth:</b> October 31, 1975</p> <p><b>Address:</b> 9/1702 Quiescent Heights, Mindspace, Off link road, Malad West, Mumbai, Maharashtra, 400064.</p> <p><b>Experience:</b> 25 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Diploma in Plastic Engineering and Bachelor of Commerce (Financial Accounting and Auditing).</p> <p><b>Current Term:</b> Three years with effect from March 13, 2025 to March 12, 2028</p> <p><b>Period of Directorship:</b> February 01, 2001</p> <p><b>DIN:</b> 00178766</p> | <p style="text-align: center;">Nil</p> |
| <p><b>Bhakti Mehul Joshi</b></p> <p><b>Designation:</b> Whole Time Director</p> <p><b>Age:</b> 43 years</p> <p><b>Date of Birth:</b> November 30, 1981</p> <p><b>Address:</b> 9/1702 Quiescent Heights, Mindspace, Off link road, Malad West, Mumbai, Maharashtra, 400064</p> <p><b>Experience:</b> 15 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Bachelor of Commerce</p> <p><b>Current Term:</b> Three years with effect from March 13, 2025 to March 12, 2028</p> <p><b>Period of Directorship:</b> April 01, 2009</p>                                                                                                                            | <p style="text-align: center;">Nil</p> |

| Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Other directorships                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| <b>DIN:</b> 02376755                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                             |
| <b>Hiral Rasikbhai Joshi</b><br><br><b>Designation:</b> Non-Executive Director<br><br><b>Age:</b> 47 Years<br><br><b>Date of Birth:</b> April 16,1978<br><br><b>Address:</b> A-11, J-3, Mahavir Nagar, CHS Ltd, Dhanukar wadi, Kandivli (west), Mumbai, Maharashtra-400067.<br><br><b>Experience:</b> 25 years<br><br><b>Occupation:</b> Business<br><br><b>Qualification:</b> Bachelor of Commerce<br><br><b>Current Term:</b> Liable to retire by rotation<br><br><b>Period of Directorship:</b> March 13, 2025<br><br><b>DIN:</b> 10998386                                                                                            | Nil                                                                                                                         |
| <b>Jyoti Abhay Jain</b><br><br><b>Designation:</b> Independent Director<br><br><b>Age:</b> 47 years<br><br><b>Date of Birth:</b> August 27,1977<br><br><b>Address:</b> E-20, A-403, Creek View CHSL, Eksar Road, Above Dena Bank, Yogi nagar, Borivali, Mumbai – 400091, Maharashtra, India.<br><br><b>Experience:</b> 15 years<br><br><b>Occupation:</b> Service<br><br><b>Qualification:</b> Bachelor of Commerce and Bachelor of Education<br><br><b>Current Term:</b> Five years with effect from March 12, 2025, not liable to retire by rotation.<br><br><b>Period of Directorship:</b> March 12, 2025<br><br><b>DIN:</b> 07921550 | Nil                                                                                                                         |
| <b>Khyati Chetan Ghandhi</b><br><br><b>Designation:</b> Independent Director<br><br><b>Age:</b> 43 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Companies:</b> <ul style="list-style-type: none"> <li>Travel 360 (Degree) Tours &amp; Travels Private Limited</li> </ul> |

| Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN                                                                                                                                                                                                                                                                                                                                                                                                               | Other directorships |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <p><b>Date of Birth:</b> April 17, 1982</p> <p><b>Address:</b> A-302, Shiv Darshan Society, Ahimsa Marg, Chincholi Bunder Road, Malad West, Mumbai, Maharashtra-400064.</p> <p><b>Experience:</b> 15 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Bachelor of Commerce and Post Graduate Diploma in Travel and Tourism</p> <p><b>Current Term:</b> Five years with effect from March 12, 2025, not liable to retire by rotation.</p> <p><b>Period of Directorship:</b> March 12, 2025</p> <p><b>DIN:</b> 02781483</p> |                     |

#### **Brief Profile of the Directors:**

1. **Mehul Pravinchandra Joshi**, is the Promoter and Chairman and Managing Director of our Company and has been on the Board since 2001. He holds a Bachelor of Commerce degree from the University of Mumbai (1997) and a Diploma in Plastic Engineering from Shri Bhagubhai Mafatlal Polytechnic, Maharashtra (1998). With over 25 years of experience in the Pigment & Dyes industry, he has expertise in the manufacturing of colour concentrates, both using conventional and universal carrier systems. Currently, he oversees the strategic business planning, operations and administrative functions within the Company.
2. **Bhakti Mehul Joshi** is the Promoter and Whole Time Director of our Company. She completed her Bachelor of Commerce from the University of Mumbai in 2003 and has been serving on the Company's Board since 2009. She is primarily responsible for overseeing the finance operations of the Company and possess 15 years of experience in the finance field.
3. **Hiral Rasikbhai Joshi** is the Non- Executive Director of our Company. He holds a Degree of Bachelor of Commerce from University of Mumbai in the year 1999. With 25 years of experience in the real estate sector, he specializes in providing comprehensive solutions for real estate investments, including consulting and management of residential, retail and commercial properties. He operates through his sole proprietorship, Hiral Joshi and Associates.
4. **Jyoti Abhay Jain** is the Independent Director with 15 years of experience in teaching and administrative field. She has completed her Bachelor of Commerce from South Gujarat University in 1999 and Bachelor of Education from the University of Mumbai in 2010. In addition, she holds an Online Diploma Programme in Business Management [CAT 1] Certificate, dated March 03, 2021. She currently looks after the administrative functions at private School and is also associated as business school teacher.
5. **Khyati Chetan Ghandhi**, Independent Director, has an experience of 15 years in the field of Hospitality and tourism. She has completed Bachelor of Commerce from University of Mumbai in the year 2003 and Post Graduate Diploma in Travel and Tourism from Shreemati Nathibai Damodar Chackersey Women's University Mumbai in the year 2005. She is the founder of Travel 360 (Degree) Tours & Travels Private Limited, a company specializing in tailor-made travel arrangements for both corporate and leisure groups and individuals.

#### **Confirmations:**



As on the date of this Red Herring Prospectus:

- a) None of our Directors is or was a director of any listed company during the last five years preceding the date of this Red Herring Prospectus, whose shares has been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- b) None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.
- c) None of the Directors are categorized as a wilful defaulter or a fraudulent borrower, as defined under Regulation 2(I) (III) of SEBI (ICDR) Regulations.
- d) None of our Directors is declared as fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

**Arrangements with major Shareholders, Customers, Suppliers or Others:**

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our directors were selected as Directors or members of the senior management.

**Service Contracts:**

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

**Nature of Family relationship between our directors**

The following Directors of the Company are related to each other within the meaning of Section 2 (77) of the Companies Act, 2013. Details of which are as follows:

| Sr. No. | Name of the Director      | Relationship with other Directors   |
|---------|---------------------------|-------------------------------------|
| 1.      | Mehul Pravinchandra Joshi | Spouse of Bhakti Mehul Joshi.       |
| 2.      | Bhakti Mehul Joshi        | Spouse of Mehul Pravinchandra Joshi |

**Borrowing Powers of Directors:**

In accordance with our Articles of Association and subject to the provisions of the Companies Act, 2013 and pursuant to a resolution of the Shareholders of our Company passed in their extraordinary general meeting held on March 13, 2025, in accordance with Section 180 of the Companies Act, 2013, our Board is authorised to borrow such sums of money from time to time, with or without security, on such terms and conditions as it may consider fit notwithstanding that the amount to be borrowed together with the amount already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) exceeds the aggregate of the paid up capital and free reserves of our Company provided that the total amount borrowed by our Board and outstanding at any point of time shall not exceed ₹100 Crore.

**Compensation of our Managing Director & Whole-time Director:**

The compensation payable to our Managing Director and Whole-time Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

**The following compensation has been approved for Managing Director & Whole time Director:**

**1. Mehul Pravinchandra Joshi : Managing Director**

Pursuant to the resolutions passed by our Board and our Shareholders on March 12, 2025 and March 13, 2025 respectively. Mr. Mehul Pravinchandra Joshi was appointed as Managing director for a period of Three years with effect from March 13, 2025 at a remuneration, which is to be given by way of salary, dearness allowance, perquisites and other allowances or any other combination thereof which shall not exceed ₹ 10 Lakh per month.

**2. Bhakti Mehul Joshi: Whole Time Director**

Pursuant to the resolutions passed by our Board and our Shareholders on March 12, 2025 and March 13, 2025 respectively. Bhakti Mehul Joshi was appointed as Whole-time director for a period of Three years with effect from March 13, 2025 at a remuneration, which is to be given by way of salary, dearness allowance, perquisites and other allowances or any other combination thereof which shall not exceed ₹ 10 Lakh per month.

**Payments or benefits to Directors:**

Except as disclosed in this Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Executive Directors except the normal remuneration for services rendered as a Director of our Company. Additionally, there is no contingent or deferred compensation payable to any of our directors.

**The remuneration paid to our Directors in Fiscal 2025 is as follows:**

| <b>Name of Director</b>   | <b>Remuneration paid in F.Y. 2024-25 (₹ in lakhs)</b> |
|---------------------------|-------------------------------------------------------|
| Mehul Pravinchandra Joshi | 33.80                                                 |
| Bhakti Mehul Joshi        | 31.20                                                 |

**Sitting Fees:**

Our Board of Directors have resolved in their meeting dated March 12, 2025 for payment of sitting fees to Directors (including independent directors) of the Company, such sum as may be decided by the Board of Directors which shall not exceed ₹ 1,00,000/- (Rupees One Lakh Only) per meeting of the Board or Committee thereof, attended by such director.

**Bonus or Profit-Sharing Plan for our Directors:**

We have no bonus or profit-sharing plan for our directors

**Shareholding of our Directors and Key Managerial Personnel in Our Company**

Except as disclosed below, as on the date of this Red Herring Prospectus, none of our Directors and Key Managerial Personnel hold any Equity Shares in our Company:

| <b>Sr. No.</b> | <b>Name of the Directors</b> | <b>No. of Shares<br/>(having face value<br/>of Rs. 10 each)<br/>Held</b> | <b>Holding in % (pre-<br/>Issue)</b> |
|----------------|------------------------------|--------------------------------------------------------------------------|--------------------------------------|
| 1.             | Mehul Pravinchandra Joshi    | 66,53,520                                                                | 88.23                                |
| 2.             | Bhakti Mehul Joshi           | 6,50,000                                                                 | 8.61                                 |
|                | <b>Total</b>                 | <b>73,03,520</b>                                                         | <b>96.85</b>                         |

Our Articles of Association do not require our directors to hold any qualification shares.

**INTEREST OF DIRECTORS**

All the Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them under the Articles and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer to Chapter titled **“Our Management”** beginning on page 137 of this Red Herring Prospectus.

Our directors may also be regarded as interested to the extent of their shareholding and dividend payable thereon, if any and to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our director are also interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/ Members/ Partners. Further our directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/ Members/ Partners and for the details of Personal Guarantee given by Directors towards Financial facilities of our Company please refer to **“Statement of Financial Indebtedness”** on page 208 of this Red Herring Prospectus.

Except as stated otherwise in this Red Herring Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

### **Interest of Directors in the promotion and formation of our Company**

As on the date of this Red Herring Prospectus, except for Mehul Pravinchandra Joshi and Bhakti Mehul Joshi, the Promoters of our Company, none of our other Directors and Key Managerial Personnel are interested in the promotion of our Company. For further details, see “Our Promoters and Promoter Group” on page 152.

### **Interest of Directors in the property of Our Company**

Except as Disclosed in Chapter “Our Business” on page 111, Our directors do not have any interest in any property acquired by our Company in a period of two years before filing of this Red Herring Prospectus or proposed to be acquired by us as on date of filing the Red Herring Prospectus.

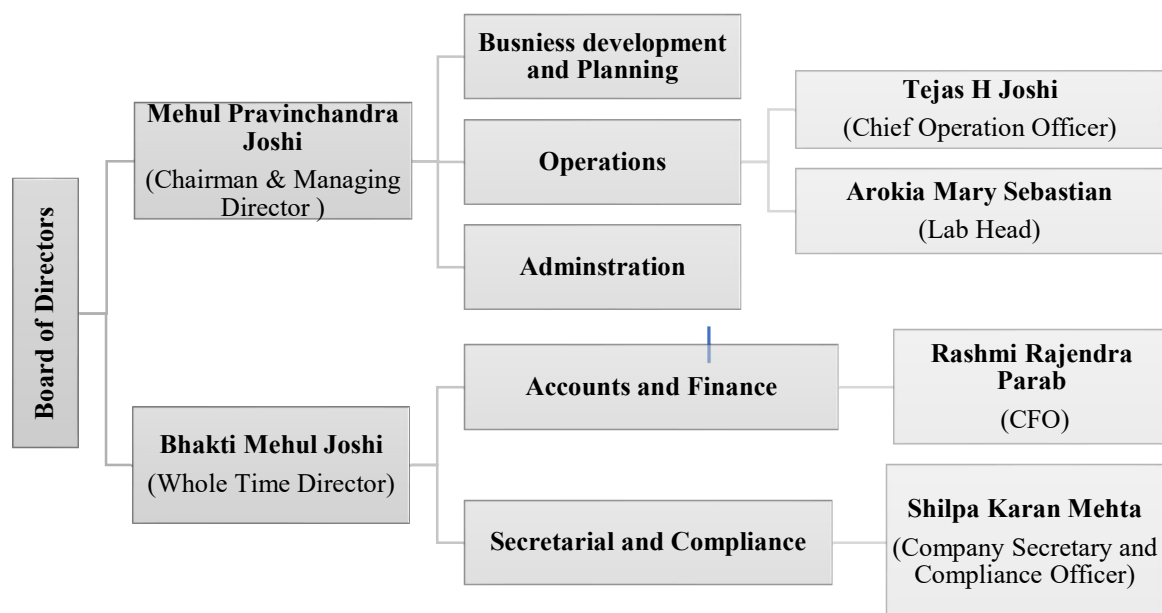
### **Changes to our Board in the last three years**

The changes in our Board in the last three years immediately preceding the date of this Red Herring Prospectus are as follows:

| <b>Name of Director</b>        | <b>Date of Appointment/ Change in designation/ Cessation</b> | <b>Reason</b>                                  |
|--------------------------------|--------------------------------------------------------------|------------------------------------------------|
| Pravinchandra Girdharlal Joshi | March 12, 2025                                               | Resignation                                    |
| Usha Pravinchandra Joshi       | March 12, 2025                                               | Resignation                                    |
| Mehul Pravinchandra Joshi      | March 13, 2025                                               | Re designated as Managing Director             |
| Bhakti Mehul Joshi             | March 13, 2025                                               | Re designated as Whole Time Director           |
| Jyoti Abhay Jain               | March 12, 2025                                               | Appointed as Additional Independent Director   |
| Hiral Rasikbhai Joshi          | March 12, 2025                                               | Appointed as Additional Non-Executive Director |
| Khyati Chetan Ghandhi          | March 12, 2025                                               | Appointed as Additional Independent Director   |
| Jyoti Abhay Jain               | March 13, 2025                                               | Regularised as Independent Director            |
| Hiral Rasikbhai Joshi          | March 13, 2025                                               | Regularised as Non- Executive Director         |
| Khyati Chetan Ghandhi          | March 13, 2025                                               | Regularised as Independent Director            |

### **MANAGEMENT ORGANISATION STRUCTURE**

The following chart depicts our Management Organization Structure: -



## Corporate Governance

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (ICDR) Regulations, 2018 will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME platform of BSE (BSE SME). The requirements pertaining to the composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee as applicable on us, have been complied with.

Our Board has been constituted in compliance with the Companies Act, 2013 and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

Our Board of Directors consist of five directors of which two are Independent Directors and we have one women director on the Board. The constitution of our Board is in compliance with Section 149 of the Companies Act, 2013.

Our Company has constituted the following committees:

### 1. Audit Committee

Our Company has formed an Audit Committee, vide Board Resolution dated March 14, 2025 as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) Rules, 2014 and Regulation 18 of SEBI Listing Regulations. The Audit Committee comprises following members:

| Name of the Director | Status in Committee | Nature of Directorship |
|----------------------|---------------------|------------------------|
| Jyoti Abhay Jain     | Chairman            | Independent Director   |

|                           |        |                      |
|---------------------------|--------|----------------------|
| Khyati Chetan Gandhi      | Member | Independent Director |
| Mehul Pravinchandra Joshi | Member | Managing Director    |

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The scope and function of the Audit Committee and its terms of reference shall include the following:

**A. Tenure of the committee:**

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

**B. Meetings of the Committee:**

The committee shall meet at least four times in a year and not more than one hundred and twenty day shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries.

**C. Power of the Committee:**

The Audit Committee shall have powers, including the following:

- a) to investigate any activity within its terms of reference;
- b) to seek information from any employee;
- c) to obtain outside legal or other professional advice;
- d) to secure attendance of outsiders with relevant expertise, if it considers necessary as may be prescribed under the Companies Act, 2013 (together with the rules thereunder) and SEBI Listing Regulations; and
- e) To have full access to information contained in records of Company.

**D. Role of the Committee:**

The Role of Audit Committee together with its powers as per Part C of Schedule II of SEBI Listing Regulation and Companies Act, 2013 shall be as under:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
2. Recommending to the Board for the appointment, re-appointment, replacement, remuneration and terms of appointment of the statutory auditors of the Company;
3. Reviewing and monitoring the statutory auditor's independence and performance and effectiveness of audit process;
4. Approving payments to the statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications and modified opinions in the draft audit report.
6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
7. Reviewing, with the management, the statement of uses/ application of funds raised through an Issue (public Offer, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public issue by the Company;

8. Approval or any subsequent modifications of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
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. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
13. Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussing with internal auditors on any significant findings and follow up thereon;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
17. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. Reviewing the functioning of the whistle blower mechanism;
20. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding ₹1,000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
22. Considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
23. Such roles as may be delegated by the Board and/or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law.

Further, the Audit Committee shall mandatorily review the following:

- 1) management discussion and analysis of financial condition and results of operations;
- 2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- 3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- 4) internal audit reports relating to internal control weaknesses;
- 5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- 6) statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI ICDR Regulations;
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI ICDR Regulations.

## 2. Stakeholders Relationship Committee

Our Company has formed an Stakeholders Relationship Committee vide Board Resolution dated March 14, 2025 as per the applicable provisions of the Section 178(5) of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 20 of SEBI Listing Regulations. The Stakeholders Relationship Committee comprises following members:

| Name of the Director  | Status in Committee | Nature of Directorship |
|-----------------------|---------------------|------------------------|
| Jyoti Abhay Jain      | Chairman            | Non-executive director |
| Khyati Chetan Ghandhi | Member              | Independent Director   |
| Bhakti Mehul Joshi    | Member              | Whole Time Director    |

The scope and function of the Committee and its terms of reference shall include the following:

**i. Tenure of the committee:**

The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

**ii. Meetings of the committee:**

The Stakeholders Relationship Committee shall meet at least once a year and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The Chairman of the Stakeholders Relationship Committee shall be present at the Annual General Meeting to answer queries of the securities holders. The Quorum shall be two members present.

**iii. Terms of Reference:**

The role of the Stakeholders Relationship Committee as per Part D of Schedule II of the SEBI Listing Regulations and Companies Act, 2013 shall be as under:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company;
5. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized;
6. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
7. To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
8. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/ dividend warrants, non-receipt of annual report and any other grievance/ complaints with Company or any officer of the Company arising out in discharge of his duties;
9. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them;
10. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time;
11. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting; and
12. Such roles as may be delegated by the Board and/ or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law.

**3. Nomination and Remuneration Committee**

Our Company has formed a Nomination and Remuneration Committee vide Board Resolution dated March 14, 2025, as per the applicable provisions of the Schedule V and other applicable provisions of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 19 of SEBI Listing Regulations. The Nomination and Remuneration Committee comprises following members:

| Name of the Director  | Status in Committee | Nature of Directorship |
|-----------------------|---------------------|------------------------|
| Jyoti Abhay Jain      | Chairman            | Independent Director   |
| Khyati Chetan Ghandhi | Member              | Independent Director   |

| Name of the Director      | Status in Committee | Nature of Directorship |
|---------------------------|---------------------|------------------------|
| Hiral Rasikbhai Joshi     | Member              | Non-Executive Director |
| Mehul Pravinchandra Joshi | Member              | Managing Director      |

The scope and function of the Committee and its terms of reference shall include the following:

**A. Tenure of the committee:**

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**B. Meetings of the committee:**

The committee shall meet as and when the need arises, subject to at least once in a year. The quorum for a meeting of the Nomination and Remuneration Committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance. The Chairman of the Nomination and Remuneration Committee is entitled to attend the general Meeting of the company to furnish clarifications to the shareholders on any matter relating to remuneration.

**C. Role of Terms of Reference:**

The role of the Nomination and Remuneration Committee as per Part D of Schedule II of the 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; and



15. 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.

### Key Managerial Personnel

Our Company is supported by a team of professionals having exposure to various operational aspects of our business. A brief detail about the Key Managerial Personnel of our Company is provided below:

| Name, Designation & Educational Qualification                                                                                                                                                                                                                                 | Age (Years) | Year of Joining | Remuneration paid for F.Y. ended 2024-25 (in ₹ Lakhs) | Overall experience (in years) | Previous employment                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------------|-------------------------------------------------------|-------------------------------|---------------------------------------------|
| <b>Mehul Pravinchandra Joshi</b><br><b>Designation:</b> Managing Director<br><b>Educational Qualification:</b> Diploma in Plastic Engineering and Bachelor of Commerce<br><b>Term of office:</b> Designated as Chairman and Managing Director with effect from March 13, 2025 | 49          | 2001            | 33.80                                                 | 25                            | -                                           |
| <b>Bhakti Mehul Joshi</b><br><b>Designation:</b> Whole Time Director<br><b>Educational Qualification:</b> Bachelor of Commerce<br><b>Term of office:</b> designated as Whole Time Director with effect from March 13, 2025                                                    | 43          | 2009            | 31.20                                                 | 15                            | -                                           |
| <b>Rashmi Rajendra Parab</b><br><b>Designation:</b> CFO<br><b>Educational Qualification:</b> Bachelor of Commerce<br><b>Term of office:</b> Appointed on March 12, 2025                                                                                                       | 53          | 1998            | 3.62                                                  | 25                            | -                                           |
| <b>Shilpa Karan Mehta</b><br><b>Designation:</b> Company Secretary and Compliance Officer<br><b>Educational Qualification:</b> CS<br><b>Term of office:</b> Appointed on March 12, 2025                                                                                       | 30          | 2025            | 0.16                                                  | 1.8                           | Wind world wind farms (sai) Private Limited |

### Brief Profile of Key Managerial Personnel (KMP)

**Mehul Pravinchandra Joshi** - Please refer to section “**Brief Profile of our Directors**” beginning on page 137 of this Red Herring Prospectus for details.

**Bhakti Mehul Joshi** - Please refer to section “**Brief Profile of our Directors**” beginning on page 137 of this Red Herring Prospectus for details.

**Rashmi Rajendra Parab** is the Chief Financial Officer of our Company. She holds Degree of Bachelor of Commerce from University of Mumbai in the year 2001. She possess experience of 25 years in the Finance field. She is associated with our company since the year 1998 and was designated as CFO on March 12, 2025. She handles the accounts and finance operations of our Company.

**Shilpa Karan Mehta** is the Company Secretary and Compliance officer of our Company. She has become the member of Institute of Company Secretaries of India since 2021. She possesses 1.8 years of experience in handing secretarial matters and corporate governance. She has been appointed as Company Secretary and Compliance Officer of our

Company with effect from March 12, 2025. Previously, she has worked with Bliss Dairy Fresh Private Limited (June 24, 2022 till April 03, 2023) and Wind world wind farm (sai) Private Limited (August 23, 2023 till June 7, 2024)

### Senior Management of our Company (SMP)

In addition to Company Secretary & Compliance Officer and Chief Financial Officer of our Company, whose details are provided in “Our Management -Key Managerial Personnel” on page 148, the details of our other Senior Management Personnel are set forth below:

**\*Tejas H Joshi** serves as the Chief Operating Officer (COO) of our company. He has been with our company since 2011 and has held the position of COO since October 23, 2012. In his role, he oversees the management of production operations and the supply chain. He possesses experience of 28 years in the field of management of supply chain and various production operations.

**\*Arokia Mary Sebastian** is the Lab Head of our Company. She has been associated with our Company since 2006 and is working as Lab Head since September 01, 2010 and is responsible for managing the laboratory operations. She possesses 19 years of experience in supervision and management of laboratory operations.

*\* Please note that educational qualification for respective SMPs has not be disclosed here due to unavailability of their corresponding qualification certificate.*

### We confirm that:

- All the persons named as our Key Managerial Personnel and Senior Management Personnel above are the permanent employees of our Company.
- There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel and Senior Management Personnel have been recruited.
- None of our KMPs and SMPs except Mehul Pravinchandra Joshi and Bhakti Mehul Joshi are also part of the Board of Directors.
- In respect of all above mentioned Key Managerial Personnel, there has been no contingent or deferred compensation accrued for the Year ended March 2024.
- Except for the terms set forth in the appointment letters, the Key Managerial Personnel and Senior Management Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- Our Company does not have any bonus/ profit sharing plan for any of the Key Managerial Personnel and Senior Management Personnel.
- None of the Key Managerial Personnel and Senior Management Personnel in our Company hold any shares of our Company as on the date of filing of this Red Herring Prospectus except:

| Sr. No.      | Name of the KMP's         | No. of Shares held |
|--------------|---------------------------|--------------------|
| 1            | Mehul Pravinchandra Joshi | 66,53,520          |
| 2            | Bhakti Mehul Joshi        | 6,50,000           |
| 3            | Arokia Mary Sebastian     | 1                  |
| 4            | Rashmi Rajendra Parab     | 1                  |
| <b>Total</b> |                           | <b>73,03,522</b>   |

- Presently, we do not have ESOP/ ESPS scheme for our employees.
- The turnover of KMPs is not high, compared to the industry to which our company belongs.

### Nature of any family relationship between our Key Managerial Personnel (KMP) and Senior Management Personnel (SMP)

Except as mentioned below, none of the KMPs and SMPs of the Company are related to each other within the meaning of section 2 (77) of the Companies Act, 2013.

| Sr. No. | Name of the KMP and SMP   | Relationship with other KMP         |
|---------|---------------------------|-------------------------------------|
| 1.      | Mehul Pravinchandra Joshi | Spouse of Bhakti Mehul Joshi        |
| 2.      | Bhakti Mehul Joshi        | Spouse of Mehul Pravinchandra Joshi |

#### **Payment of benefits to officers of Our Company (non-salary related)**

Except as disclosed in this Red Herring Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/ rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

#### **Changes in the Key Managerial Personnel and Senior Management Personnel in last three years:**

There have been no changes in the Key Managerial Personnel and Senior Management Personnel of our Company during the last 3 (three) year except as stated below:

| Name                      | Designation (at the time of appointment/ Change in designation/ Cessation) | Date of Appointment/ Change in designation/ Cessation | Reason                                |
|---------------------------|----------------------------------------------------------------------------|-------------------------------------------------------|---------------------------------------|
| Mehul Pravinchandra Joshi | Re designated as Chairman and Managing Director                            | March 13, 2025                                        | To ensure better Corporate Governance |
| Bhakti Mehul Joshi        | Re designated as Whole Time Director                                       | March 13, 2025                                        |                                       |
| Shilpa Karan Mehta        | Appointed as CS and Compliance Officer                                     | March 12, 2025                                        |                                       |
| Rashmi Rajendra Parab     | Appointed as CFO                                                           | March 12, 2025                                        |                                       |

#### **Interest of Our Key Managerial Person and Senior Management Personnel**

Apart from the shares held in the Company and to extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company, none of our key managerial personal and **Senior Management Personnel** are interested in our Company. For details, please refer section titled ***“Financial information of the Company – Annexure 31 – Restated Statement of Related Party Transactions”*** beginning on page 195 of this Red Herring Prospectus.

#### **Interest of KMP's and SMP's in the property of Our Company:**

Except as stated in ***“Our Business”*** beginning on page no 111, KMPs and SMPs do not have any interest in any property acquired by our Company in a period of two years before filing of this Red Herring Prospectus or proposed to be acquired by us as on date of filing the Red Herring Prospectus with RoC.

Except as stated in this section ***“Our Management”*** or the section titled ***“Financial information of the Company – Annexure 31 – Restated Statement of Related Party Transactions”*** beginning on page 137 and 195 respectively of this Red Herring Prospectus and except to the extent of shareholding in our Company, our KMPs and SMPs do not have any other interest in our business.

#### **Details of Service Contracts of the Key Managerial Personnel and Senior Management Personnel**

Except for the terms set forth in the appointment letters, the Key Managerial Personnel and Senior Management Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

**Loans given/ availed by Directors/ Key Managerial Personnel/ Senior Management Personnel of Our Company**

For details of unsecured loan taken from or given to our Directors/ KMPs/ SMPs and for details of transaction entered by them in the past please refer to *Annexure 31 – Restated Statement of Related Party Transactions*” page 195 of this Red Herring Prospectus.

**Employee Stock Options**

Presently, we do not have any ESOP/ ESPS Scheme for our employees.

## **OUR PROMOTERS & PROMOTER GROUP**

### **OUR PROMOTERS:**

Mehul Pravinchandra Joshi and Bhakti Mehul Joshi are the promoters of our Company. As on date of this Red Herring Prospectus, Our Promoters, in aggregate, holds 73,03,520 Equity shares having face value of Rs. 10 each of our Company, representing 96.85% of the pre-issue paid-up Equity Share capital of our Company. For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure – History of the Equity Share Capital held by our Promoters*", on page 73 of this Red Herring Prospectus.

**Brief Profile of our Promoters is as under:**

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#### **MEHUL PRAVINCHANDRA JOSHI** *(Chairman and Managing Director)*



**Qualification:** Diploma in Plastic Engineering and Bachelor of Commerce (Financial Accounting and Auditing).

**Experience:** 25 years

**Age:** 49 years

**Date of Birth:** October 31, 1975

**PAN:** AACPJ0506C

**Address:** 9/1702 Quiescent Heights, Mindspace, Off link road, Malad West, Mumbai, Maharashtra, 400064.

**No. of Equity Shares & % of Shareholding (Pre-issue):** 66,53,520 Equity Shares having face value of Rs. 10 each aggregating to 88.23 % of Pre issue paid up share capital of the Company.

**Other Directorship held:** NIL

**Other Ventures:** NIL

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#### **BHAKTI MEHUL JOSHI** *(Whole Time Director)*



**Qualification:** Bachelor of Commerce

**Experience:** 15 years

**Age:** 43 years

**Date of Birth:** November 30, 1981

**PAN:** AADPP5448G

**Address:** 9/1702 Quiescent Heights, Mindspace, Off link road, Malad West, Mumbai, Maharashtra, 400064.

**No. of Equity Shares & % of Shareholding (Pre-issue):** 6,50,000 equity shares having face value of Rs. 10 each aggregating to 8.62 % of Pre-Issue Paid up Share Capital of the Company

**Other Directorship held:** NIL

**Other Ventures:** NIL

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For Brief Profile of Our Promoters, please refer to Chapter “***Our Management***” beginning on page 137 of this Red Herring Prospectus for details.

**Confirmations:**

Our Company undertakes that the details of Permanent Account Number, Bank Account Number(s), Aadhar Card Number, Driving License Number and Passport Number of the Promoters will be submitted at the time of submission of this Red Herring Prospectus to the BSE for listing of the securities of our Company on SME Platform of BSE Limited.

Our Promoters and the members of our Promoter Group have confirmed that they have not been identified as willful defaulter or a fraudulent borrower by the RBI or any other governmental authority. No violations of securities laws have been committed by our Promoters or members of our Promoter Group in the past or are currently pending against them. None of (i) our Promoters and members of our Promoter Group or persons in control of ;(ii) the Companies with which any of our Promoters are or were associated as a promoters, director or person in control, 'are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Our Promoters have not been declared as fugitive economic offenders as defined under the SEBI (ICDR) Regulations.

**Change in the control of our Company:**

There has been no change in the control of our Company during the last five years preceding the date of this Red Herring Prospectus.

**Interest of our Promoters:**

**i. Interest in promotion and shareholding of Our Company:**

Our Promoters are interested in our Company to the extent that (i) they are the promoters of our Company and (ii) to the extent of their shareholding and shareholding of their relatives, from time to time, for which they are entitled to receive dividend payable, if any and other distribution in respect of the Equity Shares held by them and their relatives. For details regarding the shareholding of our Promoters in our Company, please see “***Capital Structure***” on page 67 of this Red Herring Prospectus.

Our Promoters, who are also Directors and Key Managerial Personnel of our Company, may be deemed to be interested to the extent of the remuneration, as per the terms of their appointment and reimbursement of expenses payable to them for the rent, purchase and sale transactions. For details, please refer to ***Annexure 31 – Restated Statement of Related Party Transactions***” beginning on page 195 of this Red Herring Prospectus.

**ii. Interest in the property of Our Company:**

Our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Red Herring Prospectus or proposed to be acquired by us as on date of this Red Herring Prospectus except as mentioned under the section “***Our Business - Properties***” and “***Annexure 31 – Restated Statement of Related Party Transactions***” on page nos. 121 and 195 respectively, of this Red Herring Prospectus.

**iii. Other Interests in our Company**

*For transactions in respect of loans and other monetary transactions entered in past please refer “***Annexure 31 – Restated Statement of Related Party Transactions***” on page 195 forming part of “***Financial Information of the Company***” of this Red Herring Prospectus.*

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Red Herring Prospectus.

Further, our promoters may be interested to the extent of personal guarantees given by them in favor of the Company, for the details of Personal Guarantee given by Promoters towards Financial facilities of our Company please refer to **“Statement of Financial Indebtedness”** and **“Financial Information of Our Company”** on page 208 and 157 respectively of this Red Herring Prospectus.

#### **Payment or Benefits to our Promoter and Promoter Group during the last 2 years:**

Save and except as disclosed under **“Compensation of our Managing Director”** in the chapter titled **“Our Management”** beginning on page 140 of this Red Herring Prospectus and also refer **“Annexure 31 – Restated Statement of Related Party Transactions”** on page 195 of this Red Herring Prospectus forming part of **“Financial Information of the Company”**, there has been no Payment or benefit to promoters during the two (2) years preceding the date of filing of this Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters as on the date of this Red Herring Prospectus.

#### **Companies/Firms with which our Promoters have disassociated in the last (3) three years**

Our promoters have not disassociated themselves from any of the Company, Firms or other entities during the last three years preceding the date of this Red Herring Prospectus.

#### **Other ventures of our Promoter**

Save and except as disclosed in this section titled **“Our Promoter & Promoter Group”** beginning on page 152 of this Red Herring Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

#### **Litigation details pertaining to our Promoter**

For details on litigations and disputes involving our Promoters, please refer to the section titled **“Outstanding Litigations and Material Developments”** beginning on page 220 of this Red Herring Prospectus.

#### **Experience of Promoters in the line of business**

Our Promoters have adequate experience in the business activities undertaken by our Company. For details in relation to experience of our Promoters in the business of our Company, please refer to the chapter titled **“Our Management”** beginning on page 137 of this Red Herring Prospectus.

#### **Related Party Transactions**

Except as stated in **“Annexure 31 – Restated Statement of Related Party Transactions”** beginning on page 195 of this Red Herring Prospectus and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

#### **OUR PROMOTER GROUP:**

In addition to the Promoters named above, the following natural persons are part of our Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018:

##### **i. Individuals forming part of the Promoter Group:**

| <b>Relationship</b> | <b>Mehul Pravinchandra Joshi</b> | <b>Bhakti Mehul Joshi</b>    |
|---------------------|----------------------------------|------------------------------|
| Father              | Pravinchandra Girdharlal Joshi   | Kiranchandra Amrutlal Pandya |
| Mother              | Usha Pravinchandra Joshi         | Pushpa Kiranchandra Pandya   |
| Spouse              | Bhakti Mehul Joshi               | Mehul Pravinchandra Joshi    |
| Brother             | -                                | Dhaval Kiranchandra Pandya   |

|                  |                              |                                |
|------------------|------------------------------|--------------------------------|
| Sister           | Raksha Upadhyaya             | Dhurt Rajubhai Mehta           |
| Sister           | Pooja Pratik Desai           | Dipti Mayur Mehta              |
| Son              | Vivaan Joshi                 | Vivaan Joshi                   |
| Daughter         | Tanisha Mehul Joshi          | Tanisha Mehul Joshi            |
| Spouse's Father  | Kiranchandra Amrutlal Pandya | Pravinchandra Girdharlal Joshi |
| Spouse's Mother  | Pushpa Kiranchandra Pandya   | Usha Pravinchandra Joshi       |
| Spouse's Brother | Dhaval Kiranchandra Pandya   | -                              |
| Spouse's Sister  | Dhurt Rajubhai Mehta         | Raksha Upadhyaya               |
| Spouse's Sister  | Dipti Mayur Mehta            | Pooja Pratik Desai             |

**ii. Corporate Entities or Firms forming part of the Promoter Group:**

As per Regulation 2(1)(pp)(iv) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

| S. No. | Nature of Relationship                                                                                                                                                                                                                                      | Name of Entities                                                                                |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| 1.     | anybody corporate in which twenty per cent or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the promoter or any one or more of their relative is a member; | Nil                                                                                             |
| 2.     | anybody corporate in which a body corporate as provided in (A) above holds twenty per cent. Or more, of the equity share capital; and                                                                                                                       | N/A                                                                                             |
| 3.     | any Hindu Undivided Family or Trust or firm in which the aggregate share of the promoter and their relatives is equal to or more than twenty per cent. Of the total capital;                                                                                | <ul style="list-style-type: none"> <li>Mehul P Joshi HUF</li> <li>Pravin G Joshi HUF</li> </ul> |

**iii. Other persons included in Promoter Group:**

None of other persons forms part of promoter group for the purpose of shareholding of the Promoter Group under Regulation 2(1)(pp)(v) of SEBI (ICDR) Regulations 2018.



### **DIVIDEND POLICY**

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. Pleas Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares in the last three financial years to the date of the filing of this Red Herring Prospectus. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

## **SECTION VI- FINANCIAL INFORMATION OF THE COMPANY**

### **RESTATED FINANCIAL STATEMENTS**

#### **Independent Auditor's Report on Restated Financial Statements**

To  
**The Board of Directors**  
**Mehul Colours Limited**  
*(formerly known as Mehul Colours and Masterbatches Limited)*  
Unit No. A 305, 306, Kemp Plaza,  
Link Road, Chincholi Bunder Road,  
Mind Space, Near Evershine Mall,  
Malad West, Mumbai – 400064

Dear Sirs,

Reference: - Proposed Public Issue of Equity Shares of **MEHUL COLOURS LIMITED**

We have examined the attached Restated Financial Statements of **MEHUL COLOURS LIMITED** *(formerly known as Mehul Colours And Masterbatches Limited)* (hereinafter referred to as “**the Company**”) comprising the Restated Statement of Assets and Liabilities as at March 31, 2025, March 31, 2024 and March 31, 2023, the Restated Statements of Profit and Loss for the year ended March 31, 2025, March 31, 2024 and March 31, 2023 and the Restated Cash Flow Statement for the period ended March 31, 2025, March 31, 2024 and March 31, 2023, the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (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, 2025, for the purpose of inclusion in the Red Herring Prospectus/ Prospectus (“Offer Document”) prepared by the Company in connection with its proposed SME Initial Public Offer.

The Restatement Summary Statements for offer of equity shares (“SME IPO”) prepared in accordance with the requirements of:

- (i) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended (the “Act”).
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (“**ICDR Regulations**”) and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India (“**SEBI**”).
  - (iii) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India (“**ICAI**”), as amended from time to time (the “Guidance Note”).
1. The Company's Board of Directors are responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Offer Document to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Gwalior in connection with the proposed SME IPO. The Restated Financial Information has been prepared by the management of the Company on the basis of preparation stated in Annexure 4 of the Restated Financial Information. The Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Companies Act, (ICDR) Regulations and the Guidance Note.

The Restatement Summary Statements for offer of equity shares (“SME IPO”) prepared in accordance with the requirements of:

- (i) The terms of reference to our engagements with the Company letter dated 18<sup>th</sup> November, 2024 requesting us to carry out the assignment, in connection with the Draft Red Herring Prospectus/ Red

Herring Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in Platform of relevant stock Exchange. ("IPO" or "SME IPO").

- (ii) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
  - (iii) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Statements; and
  - (iv) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
2. The Restated Financial Statements have been compiled by the management of the company from audited financial statements of the company as at and for the financial year ended March 31, 2025, March 31, 2024, and March 31, 2023 prepared in accordance with Accounting Standards as specified under section 133 of the Act and other accounting principles generally accepted in India which have been approved by the Board of Directors.
3. We state that no qualification in our report therefore no modification in restated financial were carried out.
- i) For the purpose of the Restated Financial, the Audited financial were prepared basis of the schedule III requirement and as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.
  - ii) The Restated Financial Statement have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any.
  - iii) The Restated Financial Statement have been made after incorporating adjustments for prior period and other material amounts in the respective financial year to which they relate.
  - iv) There are no extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments.
  - v) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 to this report.
  - vi) There was no change in accounting policies, which needs to be adjusted in the Restated Financial Statement, except -:
    - 1) Accounting of retirement benefits was accounted on cash basis which is not as per AS-15 (Revised) "Employee benefits", however during the restatement Company has accounted such retirement benefits basis actuarial valuation certificate.
  - vii) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statement,
  - viii) There were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial year ended on March 31, 2025, March 31, 2024, and March 31, 2023, which would require adjustments in this Restated Financial Statements of the Company.

Audit for the year ended on March 31, 2025 was conducted by us and audit for the year ended March 31, 2024, & March 31, 2023, was conducted by Bharat K Patel & Co. The financial report included for these periods is based solely on the report submitted by Bharat K Patel & Co for the year ended on March 2024 & March 2023.

4. In accordance with the requirements of Part I of Chapter III of Act including rules made there under, ICDR
- (i) Regulations, Guidance Note and Engagement Letter, we report that: The “Restated Statement of Assets and Liabilities” as set out in Annexure 1 to this report, of the Company as at March 31, 2025, March 31, 2024, and March 31, 2023, is prepared by the Company and approved by the Board of Directors. These Restated Statement of Assets and Liabilities have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 to this report.
  - (ii) The “Restated Statement of Profit and Loss” as set out in Annexure 2 to this report, of the Company for the financial year ended on March 31, 2025, March 31, 2024, and March 31, 2023, is prepared by the Company and approved by the Board of Directors. These Restated Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 to this Report.
  - (iii) The “Restated Statement of Cash Flow” as set out in Annexure 3 to this report, of the Company for the financial year ended on March 31, 2025, March 31, 2024, and March 31, 2023, is prepared by the Company and approved by the Board of Directors. These Restated Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out Annexure 4 to this Report.
5. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial year ended on March 31, 2025, March 31, 2024, And March 31, 2023 proposed to be included in the Draft Offer Document/ Offer Document.

**Annexure to Restated Financial Statements of the Company: -**

- 1. Summary statement of assets and liabilities, as restated as appearing in ANNEXURE 1;
- 2. Summary statement of profit and loss, as restated as appearing in ANNEXURE 2;
- 3. Summary statement of cash flow as restated as appearing in ANNEXURE 3;
- 4. Summary statement of material accounting policies & notes to restated financial information as appearing in ANNEXURE 4;
- 5. Share capital as restated as appearing in ANNEXURE 5 to this report;
- 6. Reserves and surplus as restated as appearing in ANNEXURE 6 to this report;
- 7. Other Long-Term liabilities as restated as per ANNEXURE 7 to this report;
- 8. Long term provisions as restated as appearing in ANNEXURE 8 to this report;
- 9. Short term borrowings as restated as appearing in ANNEXURE 9 to this report;
- 10. Trade payables as restated as appearing in ANNEXURE 10 to this report;
- 11. Other current liabilities as restated as appearing in ANNEXURE 11 to this report;
- 12. Short term provisions as restated as appearing in ANNEXURE 12 to this report;
- 13. Property, plant & equipment as restated as appearing in ANNEXURE 13 to this report
- 14. Non-current investments as restated as appearing in ANNEXURE 14 to this report;
- 15. Deferred Tax Assets (net) as restated as appearing in ANNEXURE 15 to this report
- 16. Other non-current assets as restated as appearing in ANNEXURE 16 to this report;
- 17. Inventories as restated as appearing in ANNEXURE 17 to this report;
- 18. Trade receivables as restated as appearing in ANNEXURE 18 to this report;
- 19. Cash & cash equivalents as restated as appearing in ANNEXURE 19 to this report;
- 20. Short term loans & advances as restated as appearing in ANNEXURE 20 to this report;
- 21. Other current assets as restated as appearing in ANNEXURE 21 to this report;
- 22. Revenue from operations as restated as appearing in ANNEXURE 22 to this report;
- 23. Other income provided as restated as appearing in ANNEXURE 23 to this report;

24. Cost of material consumed as restated as appearing in ANNEXURE 24 to this report;
  25. Changes in inventories as restated as appearing in ANNEXURE 25 to this report;
  26. Employee benefits expense as restated as appearing in ANNEXURE 26 to this report;
  27. Finance cost as restated as appearing in ANNEXURE 27 to this report;
  28. Depreciation & Amortisation as restated as appearing in ANNEXURE 28 to this report;
  29. Other expenses as restated as appearing in ANNEXURE 29 to this report;
  30. Contingent Liabilities as restated as appearing in ANNEXURE 30 to this report;
  31. Related party as restated as appearing in ANNEXURE 31 to this report;
  32. Tax shelter as restated as appearing in ANNEXURE 32 to this report;
  33. Capitalisation statement as restated as appearing in ANNEXURE 33 to this report;
  34. Accounting ratios & Additional regulatory information as restated as appearing in ANNEXURE 34 to this report.
6. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned above.
  7. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.
  8. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of chartered accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
  9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  10. In our opinion, the above financial information contained in Annexure 1 to 34 of this report read with the respective significant accounting policies and notes to restated summary statements as set out in Annexure 4 are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
  11. We, **Y M S & Co LLP**. Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and holds the peer review certificate dated 10<sup>th</sup> January 2025 valid till 31<sup>st</sup> January 2028. We confirm that there is no express refusal by the peer review board of ICAI to renew the certificate and the process to renew the peer review certificate has been initiated by us.
  12. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Offer Document/ Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our 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 Y M S & CO LLP**

Chartered Accountants

Firm Registration No. 143858W/W100859

Sd/-

**Yatin Shah**

Partner

Membership No. 157281

UDIN: 25157281BMMBUF6180

Place: Mumbai

**Date: July 16, 2025**

**ANNEXURE – 1**

**STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**

(Rs. In Lakhs unless otherwise mentioned)

| Particulars                                                  | Annexure No. | As at March 31, |                 |                 |
|--------------------------------------------------------------|--------------|-----------------|-----------------|-----------------|
|                                                              |              | 2025            | 2024            | 2023            |
|                                                              |              |                 |                 |                 |
| <b>I. EQUITY AND LIABILITIES</b>                             |              |                 |                 |                 |
| <b><u>(1) Shareholder's Funds</u></b>                        |              |                 |                 |                 |
| (a) Share Capital                                            | 5            | 754.10          | 29.00           | 29.00           |
| (b) Reserves and Surplus                                     | 6            | 951.96          | 1,126.71        | 806.76          |
|                                                              |              |                 |                 |                 |
| <b><u>(2) Non-Current Liabilities</u></b>                    |              |                 |                 |                 |
| (a) Long-Term Borrowings                                     |              | -               | -               | -               |
| (b) Deferred Tax Liability (Net)                             |              | -               | -               | -               |
| (c) Other Long -Term Liabilities                             | 7            | 2.00            | 0.50            | 0.50            |
| (d) Long Term Provision                                      | 8            | 32.52           | 30.43           | 27.92           |
|                                                              |              |                 |                 |                 |
| <b><u>(3) Current Liabilities</u></b>                        |              |                 |                 |                 |
| (a) Short Term Borrowing                                     | 9            | -               | 36.16           | -               |
| (b) Trade Payables                                           |              |                 |                 |                 |
| (i) Due to Micro and Small Enterprises                       | 10           | 15.73           | 75.68           | 104.39          |
| (ii) Due to creditors other than Micro and Small Enterprises | 10           | 14.98           | 9.85            | 31.69           |
| (c) Other Current Liabilities                                | 11           | 98.24           | 67.14           | 60.66           |
| (d) Short Term Provisions                                    | 12           | 25.77           | 11.67           | 21.40           |
|                                                              |              |                 |                 |                 |
| <b>Total Equity and Liabilities</b>                          |              | <b>1,895.30</b> | <b>1,387.14</b> | <b>1,082.31</b> |
| <b>II.ASSETS</b>                                             |              |                 |                 |                 |
| <b><u>(1) Non-Current Assets</u></b>                         |              |                 |                 |                 |
| (a) Property, Plant and Equipment and Intangible Assets      |              |                 |                 |                 |
| (i) Property, Plant and Equipment                            | 13           | 203.02          | 131.14          | 93.04           |
| (ii) Intangible Assets                                       | 13           | -               | -               | -               |
| (b) Non-Current Investment                                   | 14           | 638.79          | 443.06          | 308.55          |
| (c) Deferred Tax Assets (Net)                                | 15           | 18.17           | 15.78           | 15.55           |
| (d) Long Term Loans and Advances                             |              | -               | -               | -               |
| (e) Other Non-Current Assets                                 | 16           | 91.48           | 31.25           | 32.01           |
|                                                              |              |                 |                 |                 |
| <b><u>(2) Current Assets</u></b>                             |              |                 |                 |                 |
| (a) Inventories                                              | 17           | 208.16          | 183.91          | 145.63          |
| (b) Trade Receivables                                        | 18           | 554.95          | 338.69          | 356.61          |
| (c) Cash and Bank Balances                                   | 19           | 129.30          | 207.32          | 106.27          |
| (d) Short Term Loans and Advances                            | 20           | 50.30           | 32.72           | 22.67           |
| (e) Other Current Assets                                     | 21           | 1.13            | 3.28            | 1.97            |
| <b>Total</b>                                                 |              | <b>1,895.30</b> | <b>1,387.14</b> | <b>1,082.31</b> |

The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated financial Statement (Annexure 4 to Annexure 34) are an integral part of this statement.

As per our report of even date

**For Y M S & CO LLP**

Chartered Accountants

Firm Registration No. 143858W/W100859

**For and on Behalf of Board of Director**

**Mehul Colours Limited**

(formerly known as Mehul Colours and Master Batches Limited)

Sd/:

**Yatin Rajesh Shah**

Partner

Membership No. 157281

UDIN :25157281BMMBUF6180

Place: - Mumbai

Date: - July 16, 2025

**Mehul P. Joshi**

Chairman & Managing Director

DIN: 00178766

**Bhakti M. Joshi**

Whole Time Director

DIN: 02376755

**Rashmi Parab**

CFO

PAN: - ARWPP9874A

**Shilpa Karan Mehta**

Company Secretary

M. No.: 65187

**ANNEXURE – 2**  
**RESTATED STATEMENT OF PROFIT AND LOSS**

(Rs. in Lakhs unless otherwise mentioned)

| Sr. No.  | Particulars                                                            | Annexure No. | For the year ended March 31, |                 |                 |
|----------|------------------------------------------------------------------------|--------------|------------------------------|-----------------|-----------------|
|          |                                                                        |              | 2025                         | 2024            | 2023            |
| <b>A</b> | <b><u>Income:</u></b>                                                  |              |                              |                 |                 |
|          | Revenue From Operations                                                | 22           | 2,282.20                     | 2,193.64        | 2,117.92        |
|          | Other Income                                                           | 23           | 89.09                        | 72.03           | 18.68           |
|          | <b>Total Income</b>                                                    |              | <b>2,371.29</b>              | <b>2,265.67</b> | <b>2,136.60</b> |
|          | <b><u>Expenses:</u></b>                                                |              |                              |                 |                 |
| <b>B</b> | Cost of Material Consumed                                              | 24           | 1,042.91                     | 1,288.29        | 1,140.97        |
|          | Changes in inventories of Finished Goods                               | 25           | (19.09)                      | (46.72)         | (2.45)          |
|          | Employee Benefit Expenses                                              | 26           | 245.93                       | 235.41          | 224.90          |
|          | Finance Cost                                                           | 27           | 2.89                         | 2.74            | 3.90            |
|          | Depreciation and Amortization Expenses                                 | 28           | 34.92                        | 32.00           | 23.29           |
|          | Other Expenses                                                         | 29           | 323.36                       | 319.22          | 335.99          |
|          | <b>Total Expenses</b>                                                  |              | <b>1,630.92</b>              | <b>1,830.94</b> | <b>1,726.60</b> |
| <b>C</b> | <b>Profit / (Loss) before exceptional, extraordinary items and tax</b> |              | <b>740.37</b>                | <b>434.73</b>   | <b>410.00</b>   |
|          | Less: Exceptional Items                                                |              | -                            | -               | -               |
|          | <b>Profit /(Loss) before extraordinary items and tax (A-B)</b>         |              | <b>740.37</b>                | <b>434.73</b>   | <b>410.00</b>   |
|          | Extra ordinary items                                                   |              | -                            | -               | -               |
| <b>D</b> | <b>Profit/ (Loss) before tax</b>                                       |              | <b>740.37</b>                | <b>434.73</b>   | <b>410.00</b>   |
|          | <b>Tax expense:</b>                                                    |              |                              |                 |                 |
|          | Current tax                                                            |              | 192.45                       | 113.13          | 117.35          |
|          | Deferred Tax Expense/(Income)                                          |              | (2.38)                       | (0.23)          | (1.32)          |
|          | <b>Profit/(Loss) for the period After Tax- PAT</b>                     |              | <b>550.30</b>                | <b>321.82</b>   | <b>293.96</b>   |
| <b>E</b> | Weighted Avg. No. of Shares                                            |              | 75,41,040                    | 75,41,040       | 75,41,040       |
| <b>F</b> | <b>Earning per Equity Share having face value of Rs 10</b>             |              |                              |                 |                 |
|          | (1) Basic                                                              |              | 7.30                         | 4.27            | 3.90            |
|          | (2) Diluted                                                            |              | 7.30                         | 4.27            | 3.90            |

The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated financial Statement (Annexure 4 to Annexure 34) are an integral part of this statement.



As per our report of even date

**For Y M S & CO LLP**

Chartered Accountants

Firm Registration No. 143858W/W100859

**For and on Behalf of Board of Director**

Mehul Colours Limited

(formerly known as Mehul Colours and Master Batches Limited)

Sd/:

**Yatin Rajesh Shah**

Partner

Membership No. 157281

UDIN :25157281BMMBUF6180

Place:- Mumbai

Date:- July 16, 2025

**Mehul P. Joshi**

Chairman & Managing Director

DIN: 00178766

**Bhakti M. Joshi**

Whole Time Director

DIN: 02376755

**Rashmi Parab**

CFO

PAN: - ARWPP9874A

**Shilpa Karan Mehta**

Company Secretary

M. No.: 65187

**ANNEXURE – 3**  
**RESTATED STATEMENT OF CASH FLOWS**

(Rs. in Lakhs)

| Particulars                                                                          | For the year ended March 31, |                 |                 |
|--------------------------------------------------------------------------------------|------------------------------|-----------------|-----------------|
|                                                                                      | 2025                         | 2024            | 2023            |
| <b>Cash Flow from Operating Activities:</b>                                          |                              |                 |                 |
| Net Profit before tax as per Profit and Loss A/c                                     | 740.38                       | 434.73          | 410.00          |
| <b>Adjustments for non-cash &amp; non-operating items: -</b>                         |                              |                 |                 |
| Depreciation & Amortization Expense                                                  | 34.92                        | 32.00           | 23.29           |
| Finance Cost                                                                         | 2.89                         | 2.74            | 3.90            |
| Provision for Gratuity                                                               | 6.47                         | 4.16            | 5.12            |
| Provision for Doubtful Debt                                                          | (5.65)                       | 5.27            | 31.08           |
| Rent Income                                                                          | (3.79)                       | (3.77)          | (3.44)          |
| Interest & Dividend Income                                                           | (58.69)                      | (46.53)         | (11.11)         |
| PMS (Gain) / Loss                                                                    | (2.11)                       | (0.25)          | (1.24)          |
| Profit on sale of Fixed Assets                                                       | (8.15)                       | (12.52)         | -               |
| <b>Operating Profit Before Working Capital Changes</b>                               | <b>706.28</b>                | <b>415.82</b>   | <b>457.60</b>   |
| <b>Adjusted for (Increase)/ Decrease in:</b>                                         |                              |                 |                 |
| Short Term Loans & Advance                                                           | (17.59)                      | (10.05)         | 11.08           |
| Trade Receivable                                                                     | (210.62)                     | 12.65           | 290.77          |
| Inventories                                                                          | (24.25)                      | (38.28)         | (40.40)         |
| Long term Provisions                                                                 | 0.00                         | (3.10)          | (5.45)          |
| Other Long Term Liabilities                                                          | 1.50                         | -               | -               |
| Other Current Liabilities                                                            | 31.09                        | 6.48            | (50.05)         |
| Trade Payables                                                                       | (54.82)                      | (50.55)         | (89.95)         |
| Other Non-Current Assets                                                             | (60.23)                      | 0.76            | (2.65)          |
| Other Current Assets                                                                 | 2.13                         | (1.30)          | 0.06            |
| <b>Cash Generated from Operations</b>                                                | <b>373.50</b>                | <b>332.44</b>   | <b>571.01</b>   |
| Appropriation of Profit                                                              |                              |                 |                 |
| Net Income Tax paid/ Refunded                                                        | (182.67)                     | (123.28)        | (103.78)        |
| <b>Net Cash Flow from/ (used in) Operating Activities: (A)</b>                       | <b>190.83</b>                | <b>209.16</b>   | <b>467.23</b>   |
| <b>Cash Flow from Investing Activities:</b>                                          |                              |                 |                 |
| Net Purchase of Property, Plant and Equipment's (including capital work in progress) | (98.66)                      | (71.49)         | (34.75)         |
| Net Sale of Property, Plant and Equipment's                                          | -                            | 13.91           | -               |
| Long term Investment (made)/ Sold during the year                                    | (195.73)                     | (134.51)        | (308.55)        |
| Short term Investment (made)/ Sold during the year                                   | -                            | -               | -               |
| Interest & Dividend Income                                                           | 58.69                        | 46.53           | 11.11           |
| Rent Income                                                                          | 3.79                         | 3.77            | 3.44            |
| Investment in PMS (Gain) / Loss                                                      | 2.11                         | 0.25            | 1.24            |
| <b>Net Cash Flow from/ (used in) Investing Activities: (B)</b>                       | <b>(229.80)</b>              | <b>(141.54)</b> | <b>(327.51)</b> |
| <b>Cash Flow from Financing Activities:</b>                                          |                              |                 |                 |
| Net Increase/(Decrease) in Long Term Borrowings                                      | -                            | -               | -               |
| Net Increase/(Decrease) in Short Term Borrowing                                      | (36.16)                      | 36.16           | (36.85)         |
| Finance Cost                                                                         | (2.89)                       | (2.74)          | (3.90)          |
| <b>Net Cash Flow from/ (used in) Financing Activities (C)</b>                        | <b>(39.05)</b>               | <b>33.42</b>    | <b>(40.75)</b>  |
| Net Increase/Decrease in Cash & Bank balance (A+B+C)                                 | (78.01)                      | 101.04          | 98.97           |
| Cash and Cash Equivalent at Beginning of the Year                                    | 207.32                       | 106.27          | 7.29            |
| <b>Cash and Cash Equivalent at End of the Year</b>                                   | <b>129.30</b>                | <b>207.32</b>   | <b>106.27</b>   |

**Notes:**

| 1. Components of Cash and Cash Equivalent                                              | For the year ended March 31, |               |               |
|----------------------------------------------------------------------------------------|------------------------------|---------------|---------------|
|                                                                                        | 2025                         | 2024          | 2023          |
| <b>Cash &amp; Cash Equivalents (as per Accounting Standard 3: Cash flow Statement)</b> |                              |               |               |
| Cash In Hand                                                                           | 22.42                        | 5.36          | 1.26          |
| Balance with Banks                                                                     | 106.88                       | 1.96          | 55.01         |
| Other Bank Balances (Deposits with original maturity less than 3 months)               | -                            | 200.00        | 50.00         |
| <b>Total</b>                                                                           | <b>129.30</b>                | <b>207.32</b> | <b>106.27</b> |

2. Cash flows are Reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future receipts and payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

3. During the year, the Company acquired a new motor vehicle for a total value of ₹16,80,577.88, by exchanging its existing motor vehicle. The existing vehicle had a book value of ₹2,56,495.86 (after accounting for depreciation of ₹97,959.00 up to the date of disposal) and was exchanged at a sale value of ₹10,71,000.00, resulting in a profit of ₹8,14,504.14, which has been recognized in the Statement of Profit and Loss.

As this is a non-cash transaction, it has not been included in the Cash Flow Statement, in accordance with the provisions of AS-3 on Cash Flow Statements.

The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated financial Statement (Annexure 4 to Annexure 34) are an integral part of this statement.

As per our report of even date

**For Y M S & CO LLP**

Chartered Accountants

Firm Registration No. 143858W/W100859

**For and on Behalf of Board of Director**

**Mehul Colours Limited**

(formerly known as Mehul Colours and Master Batches Limited)

Sd/:

**Yatin Rajesh Shah**

Partner

Membership No. 157281

UDIN :25157281BMMBUF6180

Place: - Mumbai

Date: - July 16, 2025

**Mehul P. Joshi**

Chairman & Managing Director

DIN: 00178766

**Bhakti M. Joshi**

Whole Time Director

DIN: 02376755

**Rashmi Parab**

CFO

PAN: - ARWPP9874A

**Shilpa Karan Mehta**

Company Secretary

M. No.: 65187

**ANNEXURE – 4**  
**SUMMARY STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & NOTES TO RESTATED**  
**FINANCIAL INFORMATION**

**COMPANY OVERVIEW**

Our Company was incorporated as “Mehul Colours and Masterbatches Private Limited” on December 12, 1995, under the provisions of the Companies Act, 1956, pursuant to a Certificate of Incorporation issued by Registrar of Companies, Maharashtra. Thereafter, our Company was converted from private limited to public limited, pursuant to special resolution passed by the shareholders of the Company at the Extraordinary General meeting held on December 02, 2024 and as a result, the company’s name was changed to “Mehul Colours Limited”, with the fresh Certificate of Incorporation issued by the Registrar of Companies, Central Processing Centre, as on January 9, 2025. The Corporate identification number of our Company is U25209MH1995PLC095225. Mehul Colours Limited (formerly known as Mehul Colours & Masterbatches Limited) is engaged in the business of manufacturing in the Plastic Colour Masterbatches for commodity and Engineering Plastics, Pigments, Compounds & Additive Masterbatches.

**I. SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of preparation of Financial Statements:**

The Restated Statement of Assets and Liabilities as at March 31, 2025, March 31, 2024, and March 31, 2023, the Restated Statements of Profit and Loss for the period ended March 31, 2025, March 31, 2024 and March 31, 2023, the Restated Cash Flow Statement for the period ended March 31, 2025, March 31, 2024 and March 31, 2023, the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (collectively, the “Restated Financial Information”), as approved by the Board of Directors of the company.

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (IGAAP) under the historical cost convention on the accrual basis. IGAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘the Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act.

The accounting policies adopted in the preparation of financial statements have been consistently applied. All assets and liabilities have been classified as current or non-current as per the company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time difference between the provision of services and realization of cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**B. Use of Estimates**

The preparation of financial statements in conformity with IGAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

**C. Accounting Convention**

The Company follows the mercantile system of accounting, recognizing income and expenditure on accrual basis. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to specifically otherwise, are consistent with the generally accepted accounting principles.

The following significant accounting policies are adopted in the preparation and presentation of these financial statements:

## **1. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sales of goods are recognized on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Interest Income is Recognized on a time proportion basis taking into account the amount outstanding and the rate applicable i.e. on the basis of matching concept. Profit/loss on sale of investments is recognized at the time of actual sale/redemption.

Dividend Income is accounted for when the right to receive the dividend is established.

## **2. Property, Plant and Equipment, Intangible Asset and Depreciation**

- a) Property, Plant and Equipment Intangible Assets are stated as per Cost Model i.e., at cost less accumulated depreciation and impairment, if any; Costs directly attributable to acquisition are capitalized until the Property, Plant and Equipment and Intangible Assets are ready for use, as intended by the management;
- b) Subsequent expenditures relating to Property, Plant and Equipment and Intangible Assets are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs & maintenance costs are recognized in the Statement of profit & Loss when incurred;
- c) The cost and related accumulated depreciated are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit or Loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell;
- d) Depreciation on fixed assets will be calculated using the Written Down Value (WDV) method, which involves applying depreciation rates prescribed under Schedule II to the Companies Act 2013. to the carrying amount of the asset. The carrying amount is reduced each year by the amount of depreciation charged.
- e) Depreciation methods, useful lives, and residual values are reviewed periodically, including at each financial year end;

## **3. Impairment**

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

#### **4. Inventories**

##### **Raw material, Packing material and finished goods:**

Raw Materials is valued at cost or net realizable value whichever is lower. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on Weighted Average basis.

Finished goods are valued cost or net realisable value whichever is lower.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

#### **5. Foreign Exchange Transactions**

All transactions in foreign currency are recorded at the rates of exchange prevailing at the date of transaction. Any gain/ loss on account of the fluctuation in the rate of exchange is recognized in the statement of Profit and Loss.

Monetary items in the form of Loans, Current Assets and Current Liabilities in foreign currencies outstanding at the close of the year are converted in Indian currency at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss on account of the fluctuation in the rate of exchange is recognized in the statement of Profit and Loss.

#### **6. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non- cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

#### **7. Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to statement of profit and loss.

#### **8. Income Tax**

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on 'Accounting for Taxes on Income' (AS-22). The provision made for Income Tax in Accounts comprises both, the current tax and deferred tax. Provision for Current Tax is made on the assessable Income Tax rate applicable to the relevant assessment year after considering various deductions available under the Income Tax Act, 1961.

Deferred tax is recognized for all timing differences; being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

## **9. Earnings Per Share**

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## **10. Provisions and Contingent Liabilities**

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the likely future outflow of economic benefits required to settle the obligation at the reporting date.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## **11. Cash and Cash Equivalents**

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

## **12. Investments**

Investments that are readily realizable and intended to be held for not more than one year from the date of acquisition are classified as current investments. All other investments are classified as non-current investments.

All investments are initially recognized at cost, which includes acquisition charges, if any Profit or loss on sale of investments is recognized in the Statement of Profit and Loss. Quoted investments are disclosed in the notes to accounts at both cost and market value.

However, provision for diminution in value is made to recognize a decline other than temporary nature in value of investment.

## **13. Government Grants and Subsidies**

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

#### 14. Contingencies and events occurring after the Balance Sheet date

Events that occur between balance sheet date and date on which these are approved, might suggest the requirement for an adjustment(s) to the assets and the liabilities as at balance sheet date or might need disclosure. Adjustments are required to assets and liabilities for events which occur after balance sheet date which offer added information substantially affecting the determination of the amounts which relates to the conditions that existed at balance sheet date.

#### 15. Related Party Transactions

Related parties as defined under Accounting Standard - 18 'Related Party Disclosures' have been identified based on representations made by management and information available with the Company. All transactions with related parties are in the ordinary course of business and on arms' length basis.

#### 16. Leases

The company has taken Office & factory on lease and classified as an Operating lease and the lease rentals are recognized in profit & loss account as per lease terms.

#### 17. Segment Reporting

As per AS -17 Segment Reporting is not applicable to the company for the reporting period.

#### 18. Employee Benefits

Defined-contribution plans:

All short-term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

The Company's contribution to Provident Fund and ESIC is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis. The company does not provide for leave encashment as per its HR policy. Accordingly, the provision for leave encashment previously recognized has been reversed in compliance with the company's policy, and no liability is recognized in this regard.

The Company has made provision for payment of Gratuity to its employees. This Provision is made as per the method prescribed under the Payment of Gratuity Act. The cost of providing gratuity under this plan is determined on the basis of actuarial valuation by an independent actuary using projected unit method. The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits during the restated financials period. The disclosure as envisaged under the Accounting Standard is provided hereunder:

| (Rs. in Lakhs)                                       |         |         |         |
|------------------------------------------------------|---------|---------|---------|
| Details of Gratuity Expenses                         | 2024-25 | 2023-24 | 2022-23 |
| <b><u>Profit and loss account for the period</u></b> |         |         |         |
| Current service cost                                 | 2.27    | 1.75    | 1.95    |
| Interest on obligation                               | 2.47    | 2.44    | 2.32    |
| Expected return on plan assets                       | -       | -       | -       |
| Net actuarial loss/(gain)                            | 1.73    | (0.04)  | 0.86    |
| Recognized Past Service Cost-Vested                  | -       | -       | -       |
| Benefits paid                                        | -       | -       | -       |
| Loss (gain) on curtailments                          | -       | -       | -       |



|                                                               |                  |                  |                  |
|---------------------------------------------------------------|------------------|------------------|------------------|
| <b>Total included in 'Employee Benefit Expense'</b>           | <b>6.47</b>      | <b>4.16</b>      | <b>5.12</b>      |
| Prior year charge                                             | -                | -                | -                |
| <b>Total Charge to P&amp;L</b>                                | <b>6.47</b>      | <b>4.16</b>      | <b>5.12</b>      |
| <b><u>Reconciliation of defined benefit obligation</u></b>    |                  |                  |                  |
| Opening Defined Benefit Obligation                            | 34.33            | 33.26            | 33.59            |
| Transfer in/(out) obligation                                  | -                | -                | -                |
| Current service cost                                          | 2.27             | 1.75             | 1.95             |
| Interest cost                                                 | 2.47             | 2.44             | 2.32             |
| Actuarial loss (gain)                                         | 1.73             | (0.04)           | 0.86             |
| Past service cost                                             | -                | -                | -                |
| Benefits paid                                                 | -                | (3.10)           | (5.45)           |
| Prior year charge                                             | -                | -                | -                |
| <b>Closing Defined Benefit Obligation</b>                     | <b>40.79</b>     | <b>34.33</b>     | <b>33.26</b>     |
| <b><u>Table of experience adjustments</u></b>                 |                  |                  |                  |
| Defined Benefit Obligation                                    | -                | -                | -                |
| Plan Assets                                                   | -                | -                | -                |
| <b>Surplus/(Deficit)</b>                                      | <b>-</b>         | <b>-</b>         | <b>-</b>         |
| <b><u>Reconciliation of plan assets</u></b>                   |                  |                  |                  |
| Opening value of plan assets                                  | -                | -                | -                |
| Transfer in/(out) plan assets                                 | -                | -                | -                |
| Expenses deducted from the fund                               | -                | -                | -                |
| Expected return                                               | -                | -                | -                |
| Actuarial gain/(loss)                                         | -                | -                | -                |
| Contributions by employer                                     | -                | -                | -                |
| Benefits paid                                                 | -                | -                | -                |
| Closing value of plan assets                                  | -                | -                | -                |
| <b><u>Details of Gratuity Expenses</u></b>                    |                  |                  |                  |
| <b><u>Reconciliation of net defined benefit liability</u></b> |                  |                  |                  |
| Net opening provision in books of accounts                    | 34.33            | 33.26            | 33.59            |
| -Transfer in/(out) obligation                                 | 6.47             | 4.16             | 5.12             |
| Transfer (in)/out plan assets                                 | -                | -                | -                |
| Employee Benefit Expense                                      | -                | -                | -                |
| Benefits paid by the Company                                  | -                | (3.10)           | (5.45)           |
| Contributions to plan assets                                  | -                | -                | -                |
| <b>Closing provision in books of accounts</b>                 | <b>40.79</b>     | <b>34.33</b>     | <b>33.26</b>     |
| <b><u>Bifurcation of liability</u></b>                        |                  |                  |                  |
| Current Liability                                             | 8.27             | 3.90             | 5.35             |
| Non-Current Liability                                         | 32.52            | 30.43            | 27.92            |
| <b>Net Liability</b>                                          | <b>40.79</b>     | <b>34.33</b>     | <b>33.26</b>     |
| <b><u>Principle actuarial assumptions</u></b>                 |                  |                  |                  |
| Discount Rate                                                 | 6.55 %           | 7.19 %           | 7.35 %           |
| Expected Return on Plan Assets                                | -                | -                | -                |
| Salary Escalation Rate                                        | 5.00 %           | 5.00 %           | 5.00 %           |
| Withdrawal Rates (p.a.)                                       | 8.00 %           | 8.00 %           | 8.00 %           |
| Mortality rate                                                | IALM (2012-2014) | IALM (2012-2014) | IALM (2012-2014) |

## **II. NOTES RESTATED SUMMARY STATEMENTS:**

### **1 Contingent liabilities and commitments (to the extent not provided for)**

A disclosure for a contingent liability reported in the notes to restated financial restatements when there is a possible obligation that may, require an outflow of the Company's resources. Refer Annexure 30.

### **2. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

Outstanding dues of Micro or Small-Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has disclosed the same as required by Schedule III to the Companies Act, 2013.

### **3. Related Party Transactions**

Related party transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure - 31 of the enclosed financial statements.

### **4. Material Adjustments**

Appropriate adjustments have been made in the restated financial statements, whenever required, by a reclassification of the corresponding items of assets, liabilities, and cash flow statement, in order to ensure consistency and compliance with requirements of Schedule VI and Accounting Standards.

5. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.

6. The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of respective parties concerned.

### **7. Realizations**

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.

### **8. Contractual liabilities**

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

### **9. Impact of Audit Qualifications/Observations in Statutory Auditor's Report on Financial Statements**

There have been no audit qualifications/observations in Statutory Auditor's Report F.Y 2024-25 F.Y. 2023-24, 2022-23, which requires adjustments in restated financial statements.

### **10. Amounts in the financial statements**

Amounts in the financial statements are rounded off to nearest lakhs or lacs.

**RECONCILIATION OF RESTATED PROFIT:****(Rs. In Lakhs)**

| Adjustments for                                                  | For the Period/Year Ended 31 <sup>st</sup> March |               |               |
|------------------------------------------------------------------|--------------------------------------------------|---------------|---------------|
|                                                                  | Mar-25                                           | Mar-24        | Mar-23        |
| Net Profit/(Loss) after Tax as per Audited Profit & Loss Account | 550.30                                           | 325.99        | 324.79        |
| <b><u>Adjustments for:</u></b>                                   |                                                  |               |               |
| Provision for Gratuity                                           | -                                                | (1.06)        | 0.32          |
| Short/ Excess Provision of tax                                   | -                                                | 1.78          | -             |
| Provision for Doubtful Debt                                      | -                                                | (5.27)        | (31.08)       |
| Deferred Tax                                                     | -                                                | 0.38          | (0.08)        |
| <b>Net Profit/ (Loss) After Tax as Restated</b>                  | <b>550.30</b>                                    | <b>321.82</b> | <b>293.96</b> |

**Reason for Change: -**

1. The provision for gratuity has been done in all years covered for restatement as per Actuarial Valuation Reports and provided in the respective year in which such liability has arisen as per AS 15: Employee Benefits.
2. Provision for Taxation has been adjusted for Items like Income Tax related to Earlier Years and Short Provision for Earlier Years.
3. Due to changes in gratuity provision the deferred tax component on the same has also changed.
4. The provision for doubtful debts has been creating against the outstanding trade receivables which are considered as doubtful.
5. The company does not provide for leave encashment as per its HR policy. Accordingly, the provision for leave encashment previously recognized has been reversed in compliance with the company's policy, and no liability is recognized in this regard.

**RECONCILIATION OF EQUITY AND RESERVES:****(Rs. In Lakhs)**

| Adjustments for                                          | As at F.Y.      |                 |               |
|----------------------------------------------------------|-----------------|-----------------|---------------|
|                                                          | 2024-25         | 2023-24         | 2022-23       |
| <b>Equity and Reserve as per Audited Balance sheet</b>   | <b>1,706.06</b> | <b>1,218.07</b> | <b>892.07</b> |
| <b><u>Adjustments for:</u></b>                           |                 |                 |               |
| Difference Due to Change in P&L                          | -               | (4.17)          | (30.83)       |
| Prior period Adjustments (Refer Note-1)                  | -               | (58.18)         | (25.48)       |
| <b>Equity and Reserve as per Re-stated Balance sheet</b> | <b>1,706.06</b> | <b>1,155.71</b> | <b>835.76</b> |

**Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years.**

**Note 1 - Adjustments having impact on Profit:**

Amounts relating to the prior period have been adjusted in the year to which the same relates to and the same amount is arrived on account of change in Opening Balance of Reserve and Surplus due to the restated effect on the profit / (loss) of prior period.

**Note - To give Explanatory Notes regarding Adjustments**

Appropriate adjustments have been made in the restated financial statements, wherever required, by reclassification of the corresponding items of Income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial of the company for all the years and requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.

**For Y M S & CO LLP**

Chartered Accountants

Firm Registration No. 143858W/W100859

**For and on Behalf of Board of Director**

**Mehul Colours Limited**

(formerly known as Mehul Colours and Master Batches Limited)

Sd/:

**Yatin Rajesh Shah**

Partner

Membership No. 157281

UDIN :25157281BMMBUF6180

Place: - Mumbai

Date: - July 16, 2025

**Mehul P. Joshi**

Chairman & Managing Director

DIN: 00178766

**Bhakti M. Joshi**

Whole Time Director

DIN: 02376755

**Rashmi Parab**

CFO

PAN: - ARWPP9874A

**Shilpa Karan Mehta**

Company Secretary

M. No.: 65187

**ANNEXURE – 5**  
**DETAILS OF SHARE CAPITAL AS RESTATED**

(Rs. In Lakhs, Except no of share)

| Particulars                                                                              | As at March 31, |              |              |
|------------------------------------------------------------------------------------------|-----------------|--------------|--------------|
|                                                                                          | 2025            | 2024         | 2023         |
| <b>EQUITY SHARE CAPITAL:</b>                                                             |                 |              |              |
| <b>AUTHORISED:</b>                                                                       |                 |              |              |
| 1,10,00,000 Shares of Rs.10 each (3,00,000 Equity Shares of Rs. 10 each in FY 2023-24)   | 1,100.00        | 30.00        | 30.00        |
|                                                                                          | <b>1,100.00</b> | <b>30.00</b> | <b>30.00</b> |
| <b>ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL</b>                               |                 |              |              |
| 75,41,040 Equity share of Rs 10 each (2,90,040 Equity share of Rs 10 Each in FY 2023-24) | 754.10          | 29.00        | 29.00        |
| <b>Total</b>                                                                             | <b>754.10</b>   | <b>29.00</b> | <b>29.00</b> |

| Reconciliation of number of shares outstanding at the end of the year: | As at March 31,     |                    |                    |
|------------------------------------------------------------------------|---------------------|--------------------|--------------------|
|                                                                        | 2025                | 2024               | 2023               |
| Equity Shares at the beginning of the year                             | 2,90,040.00         | 2,90,040.00        | 2,90,040.00        |
| Add: Fresh Shares issued during the year                               | -                   | -                  | -                  |
| Less: Shares Bought back during the year                               | -                   | -                  | -                  |
| Add: Bonus Issue of Equity Shares                                      | 72,51,000.00        | -                  | -                  |
| <b>TOTAL</b>                                                           | <b>75,41,040.00</b> | <b>2,90,040.00</b> | <b>2,90,040.00</b> |

**1. Terms/rights attached to equity shares:**

**a.** The 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.

**b.** In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

**c.** During the year ended 31st March 2025, the company has issued Bonus issue of 72,51,000 Equity Shares of Face Value of ₹ 10/- each in the ratio of 25:1 i.e. Twenty Five (25) Bonus Equity Share for every One (1) Equity Shares held by shareholders allotted on, 24th October 2024.

**d.** The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

**e.** Company does not have any Revaluation Reserve.

**f.** There were no class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.

**g.** There are no calls unpaid by the Directors or officers of the company.

**2. Details of Shareholders holding more than 5% of the aggregate shares of the company:**

| Particulars                | As at March 31,  |                 |                 |
|----------------------------|------------------|-----------------|-----------------|
|                            | 2025             | 2024            | 2023            |
| Pravinchandra G. Joshi     | -                | -               | 99,100          |
| % of Holding               | -                | -               | 34.17%          |
| Usha P. Joshi              | -                | -               | 30,000          |
| % of Holding               | -                | -               | 10.34%          |
| Mehul Pravinchandra Joshi  | 68,90,520        | 2,65,020        | 50,910          |
| % of Holding               | 91.37%           | 91.37%          | 17.55%          |
| Raksha P. Joshi            | -                | -               | 45,000          |
| % of Holding               | -                | -               | 15.52%          |
| Pravinchandra G. Joshi HUF | -                | -               | 40,000          |
| % of Holding               | -                | -               | 13.79%          |
| Bhakti Mehul Joshi         | 6,50,000         | 25,000          | 25,000          |
| % of Holding               | 8.62%            | 8.62%           | 8.62%           |
| <b>Total</b>               | <b>75,40,520</b> | <b>2,90,020</b> | <b>2,90,010</b> |

**3. Change in the Shareholding of the Promoters:**

| Particulars     | As at March 31, 2025 |               |              |
|-----------------|----------------------|---------------|--------------|
|                 | No of Shares         | % of Holding  | Change in %  |
| Mehul P. Joshi  | 68,90,520            | 91.37%        | 0.00%        |
| Bhakti M. Joshi | 6,50,000             | 8.62%         | 0.00%        |
| <b>Total</b>    | <b>75,40,520</b>     | <b>99.99%</b> | <b>0.00%</b> |

| Particulars     | As at March 31, 2024 |               |               |
|-----------------|----------------------|---------------|---------------|
|                 | No of Shares         | % of Holding  | Change in %   |
| Mehul P. Joshi  | 2,65,020.00          | 91.37%        | 73.82%        |
| Bhakti M. Joshi | 25,000.00            | 8.62%         | 0.00%         |
| <b>Total</b>    | <b>2,90,020.00</b>   | <b>99.99%</b> | <b>73.82%</b> |

| Particulars     | As at March 31, 2023 |               |             |
|-----------------|----------------------|---------------|-------------|
|                 | No. of Shares        | % of Holding  | Change in % |
| Mehul P. Joshi  | 50,920.00            | 17.56%        | 0.00%       |
| Bhakti M. Joshi | 25,000.00            | 8.62%         | 0.00%       |
| <b>Total</b>    | <b>75,920.00</b>     | <b>26.18%</b> |             |

Further Disclosure of Share Capital issued in Five Year immediately preceding the latest period of Restatement.

Aggregate number and class of shares allotted as fully paid up by way of bonus shares.

| Particulars                                | As at March 31, 2025 |
|--------------------------------------------|----------------------|
| <b>Bonus shares issued during the year</b> |                      |
| Mehul P. Joshi                             | 66,25,500            |
| Bhakti M. Joshi                            | 6,25,000             |
| <b>Total</b>                               | <b>72,50,500</b>     |

Further Disclosure of Share Capital issued in Five Year immediately preceding the latest period of Restatement:

1. From FY 2020-21 to FY 2024-25, no buyback of equity shares done by the company.
2. From FY 2020-21 to FY 2024-25, no equity shares issued pursuant to a contract without payment being received in cash.
3. From FY 2020-21 to FY 2023-24, no bonus shares issued by the company.

#### ANNEXURE – 6 DETAILS OF RESERVE & SURPLUS AS RESTATED

(Rs. In Lakhs)

| Particulars                              | As at March 31, |                 |               |
|------------------------------------------|-----------------|-----------------|---------------|
|                                          | 2025            | 2024            | 2023          |
| <b>Surplus :-</b>                        |                 |                 |               |
| <b>Opening Balance</b>                   | 1,126.71        | 806.76          | 512.8         |
| Add - Current Year profit                | 550.30          | 319.95          | 293.96        |
| Add: Prior Period Expenses               | 0.05            | -               | -             |
| Less: Utilized for Issue of Bonus Shares | (725.10)        |                 |               |
| <b>Closing Balance</b>                   | <b>951.96</b>   | <b>1,126.71</b> | <b>806.76</b> |
| <b>TOTAL</b>                             | <b>951.96</b>   | <b>1,126.71</b> | <b>806.76</b> |

1. Surplus: Retained earnings are the profits that the Company has earned till date, add/(less) any transfers from/(to) general reserve, securities premium and debenture redemption reserve, dividends or other distributions paid to shareholders.

#### ANNEXURE – 7 DETAILS OF OTHER LONG TERM LIABILITIES AS RESTATED

(Rs. In Lakhs)

| Particulars      | As at March 31, |             |             |
|------------------|-----------------|-------------|-------------|
|                  | 2025            | 2024        | 2023        |
| Security Deposit | 2.00            | 0.50        | 0.50        |
| <b>TOTAL</b>     | <b>2.00</b>     | <b>0.50</b> | <b>0.50</b> |

**ANNEXURE – 8**  
**DETAILS OF LONG-TERM PROVISIONS AS RESTATED**

(Rs. In Lakhs)

| Particulars                                   | As at March 31, |              |              |
|-----------------------------------------------|-----------------|--------------|--------------|
|                                               | 2025            | 2024         | 2023         |
| <b><u>Provision for Employee Benefits</u></b> |                 |              |              |
| Provision for Gratuity                        | 32.52           | 30.43        | 27.92        |
| <b>TOTAL</b>                                  | <b>32.52</b>    | <b>30.43</b> | <b>27.92</b> |

**ANNEXURE – 9**  
**DETAILS OF SHORT-TERM BORROWING AS RESTATED**

(Rs. In Lakhs)

| Particulars                      | As at March 31, |              |          |
|----------------------------------|-----------------|--------------|----------|
|                                  | 2025            | 2024         | 2023     |
| <b>Loans Repayable on Demand</b> |                 |              |          |
| Secured - from Bank              |                 |              |          |
| Overdraft                        | -               | 36.16        | -        |
| <b>TOTAL</b>                     | <b>-</b>        | <b>36.16</b> | <b>-</b> |

**Notes:**

1. The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in Schedule 9(A).
2. The Company does not have any continuing default in repayment of loans and interest as on the reporting date.
3. There is no such borrowing from banks and financial institutions taken by company for specific purpose but not used for same purpose.
4. The Company has not taken any loan from financial institution or banks for any specified purpose for which it is not utilised.



**ANNEXURE 9(A)**

**STATEMENT OF PRINCIPAL TERMS OF SECURED & UNSECURED LOANS AND ASSETS CHARGED AS SECURITY**

**Secured Loans**

**(Rs. In Lakhs)**

| <b>Sr. No.</b> | <b>Name of Lender</b> | <b>Purpose</b>              | <b>Sanctioned Amount</b> | <b>Rate of interest</b>                        | <b>Primary &amp; Collateral Security</b> | <b>Re-Payment Schedule</b> | <b>Moratorium</b> | <b>31st March, 2025</b> | <b>31st March, 2024</b> | <b>31st March, 2023</b> |
|----------------|-----------------------|-----------------------------|--------------------------|------------------------------------------------|------------------------------------------|----------------------------|-------------------|-------------------------|-------------------------|-------------------------|
| 1              | ICICI Bank Ltd -OD    | Working Capital - Overdraft | 320.00                   | 9.60%<br>(Repo<br>6.50 %<br>+Spread<br>3.10 %) | Note 1                                   | Not<br>Applicable          | Not Applicable    | -                       | 36.16                   | -                       |

\* Existing limit as on March 31, 2025 is 320.00 Lakhs sanction letter 28.08.2024.

**Note 1: -**

**Primary & Collateral Security**

**Mortgage following asset against OD Facility by ICIC Bank**

**Collateral Security:**

Usha Pravin Joshi -Unit No. 305, 3rd Floor, Vinay Industrial Estate New Link Road, Mindspace Malad West Mumbai Maharashtra 400064

Usha Pravin Joshi-Unit No.204, 2Nd Floor Vinay Industrial Estate New Link Road, Mindspace Malad West Mumbai Maharashtra -400064

**Guarantor: -**

Mehul Pravinchandra Joshi, Pravinchandra, Girdharlal Joshi, Bhakti Mehul Joshi and Usha Joshi

**ANNEXURE – 10**  
**DETAILS OF TRADE PAYABLES AS RESTATED**

(Rs. In Lakhs)

| Particulars                                                | As at March 31, |              |               |
|------------------------------------------------------------|-----------------|--------------|---------------|
|                                                            | 2025            | 2024         | 2023          |
| <b>Trade Payables:</b>                                     |                 |              |               |
| <b>For Goods &amp; Service</b>                             |                 |              |               |
| a. Micro small and medium enterprises                      | 15.73           | 75.68        | 104.39        |
| b. Creditors other than Micro small and medium enterprises | 14.98           | 9.85         | 31.69         |
| <b>TOTAL</b>                                               | <b>30.71</b>    | <b>85.53</b> | <b>136.07</b> |

**Notes:**

**1.Trade Payable Aging**

ANNEXURE – 10(A)

(Rs. In Lakhs)

| Particulars                                                       | As at March 31, |              |               |
|-------------------------------------------------------------------|-----------------|--------------|---------------|
|                                                                   | 2025            | 2024         | 2023          |
| <b>Outstanding for following periods from due date of payment</b> |                 |              |               |
| <b>(i) MSME</b>                                                   |                 |              |               |
| Less than 1 year                                                  | 15.73           | 75.68        | 89.05         |
| 1-2 years                                                         | -               | -            | 15.34         |
| 2-3 years                                                         | -               | -            | -             |
| More than 3 years                                                 | -               | -            | -             |
| <b>Total</b>                                                      | <b>15.73</b>    | <b>75.68</b> | <b>104.39</b> |
| <b>(ii) Others</b>                                                |                 | -            | -             |
| Less than 1 year                                                  | 14.98           | 9.79         | 28.78         |
| 1-2 years                                                         | -               | 0.06         | 2.91          |
| 2-3 years                                                         | -               | -            | -             |
| More than 3 years                                                 | -               | -            | -             |
| <b>Total</b>                                                      | <b>14.98</b>    | <b>9.85</b>  | <b>31.69</b>  |
| <b>(iii) Disputed dues – MSME</b>                                 |                 | -            | -             |
| Less than 1 year                                                  | -               | -            | -             |
| 1-2 years                                                         | -               | -            | -             |
| 2-3 years                                                         | -               | -            | -             |
| More than 3 years                                                 | -               | -            | -             |
| <b>Total</b>                                                      | <b>-</b>        | <b>-</b>     | <b>-</b>      |
| <b>(iv) Disputed dues – Others</b>                                |                 |              |               |
| Less than 1 year                                                  | -               | -            | -             |
| 1-2 years                                                         | -               | -            | -             |
| 2-3 years                                                         | -               | -            | -             |
| More than 3 years                                                 | -               | -            | -             |
| <b>Total</b>                                                      | <b>-</b>        | <b>-</b>     | <b>-</b>      |
| <b>TOTAL</b>                                                      | <b>30.71</b>    | <b>85.53</b> | <b>136.07</b> |

\* MSME category of Trade payables has been identified by the management and relied upon by the auditors.

2. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company.

| Particulars                                                              | As at March 31, |       |        |
|--------------------------------------------------------------------------|-----------------|-------|--------|
|                                                                          | 2025            | 2024  | 2023   |
| Principal amount from Micro and Small Enterprises                        | 15.73           | 75.68 | 104.39 |
| Interest due on above and the unpaid interest                            | -               | -     | -      |
| Interest paid                                                            | -               | -     | -      |
| Payment made beyond the appointed day during the year                    | -               | -     | -      |
| Interest due and payable for the period of delay                         | -               | -     | -      |
| Interest accrued and remaining unpaid                                    | -               | -     | -      |
| Amount of further interest remaining due and payable in succeeding years | -               | -     | -      |

**ANNEXURE – 11**  
**DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED**

| Particulars                   | As at March 31, |              |              |
|-------------------------------|-----------------|--------------|--------------|
|                               | 2025            | 2024         | 2023         |
| Statutory Payables            | 40.03           | 23.05        | 10.99        |
| Provision for expenses        | 25.88           | 6.76         | 4.91         |
| Payable for Expenses          | 11.86           | 19.53        | 16.43        |
| Advance from customers        | 10.22           | 7.93         | 15.30        |
| Salary Payable                | 6.24            | 7.78         | 4.43         |
| Bonus Payable                 | 2.61            | 2.08         | 1.64         |
| Director Remuneration Payable | 1.40            | -            | 6.97         |
| <b>TOTAL</b>                  | <b>98.24</b>    | <b>67.14</b> | <b>60.66</b> |

**ANNEXURE – 12**  
**DETAILS OF SHORT-TERM PROVISION AS RESTATED**  
**(Rs. In Lakhs)**

| Particulars                                             | As at March 31, |              |              |
|---------------------------------------------------------|-----------------|--------------|--------------|
|                                                         | 2025            | 2024         | 2023         |
| <b>Provision for Employee Benefits</b>                  |                 |              |              |
| Provision for Gratuity                                  | 8.27            | 3.90         | 5.35         |
| <b>Provision for Others</b>                             |                 |              |              |
| Provision for Income Tax (Net of Advance Tax, TDS, TCS) | 17.50           | 7.77         | 16.05        |
| <b>Closing Balance</b>                                  | <b>25.77</b>    | <b>11.67</b> | <b>21.40</b> |

Notes: -

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

**ANNEXURE – 13**  
**STATEMENT OF PROPERTY, PLANT & EQUIPMENT AS RESTATED**

**As at 31.03.2023**

**(Rs. In Lakhs)**

| Particulars         | Gross Block      |                          |                           |                  | Depreciation and Amortization |              |                           |                  | Net Block        |                  |
|---------------------|------------------|--------------------------|---------------------------|------------------|-------------------------------|--------------|---------------------------|------------------|------------------|------------------|
|                     | As on 01-04-2022 | Addition During the year | Deduction During the year | As on 31-03-2023 | As on 01-04-2022              | For the year | Deduction During the year | As on 31-03-2023 | As on 31-03-2023 | As on 31-03-2022 |
| Plant & Machinery   | 213.70           | 3.46                     | -                         | 217.16           | 149.66                        | 16.15        | -                         | 165.81           | 51.35            | 64.04            |
| Furniture & Fixture | 28.95            | 26.89                    | -                         | 55.84            | 21.48                         | 4.94         | -                         | 26.43            | 29.42            | 7.47             |
| Office Equipment    | 3.53             | 2.49                     | -                         | 6.02             | 2.72                          | 0.95         | -                         | 3.67             | 2.35             | 0.81             |
| Building            | 26.47            | -                        | -                         | 26.47            | 17.83                         | 0.82         | -                         | 18.65            | 7.82             | 8.64             |
| Computer            | 7.59             | 1.91                     | -                         | 9.50             | 6.96                          | 0.43         | -                         | 7.39             | 2.11             | 0.63             |
| <b>TOTAL</b>        | <b>280.24</b>    | <b>34.75</b>             | <b>-</b>                  | <b>314.99</b>    | <b>198.65</b>                 | <b>23.29</b> | <b>-</b>                  | <b>221.95</b>    | <b>93.04</b>     | <b>81.59</b>     |

**As at 31.03.2024**

**(Rs. In Lakhs)**

| Particulars         | Gross Block      |                          |                           |                  | Depreciation and Amortization |              |                           |                  | Net Block        |                  |
|---------------------|------------------|--------------------------|---------------------------|------------------|-------------------------------|--------------|---------------------------|------------------|------------------|------------------|
|                     | As on 01-04-2023 | Addition During the year | Deduction During the year | As on 31-03-2024 | As on 01-04-2023              | For the year | Deduction During the year | As on 31-03-2024 | As on 31-03-2024 | As on 31-03-2023 |
| Plant & Machinery   | 217.16           | 67.75                    | 22.04                     | 262.87           | 165.81                        | 17.55        | 20.64                     | 162.71           | 100.15           | 51.35            |
| Furniture & Fixture | 55.84            | 2.32                     | -                         | 58.17            | 26.43                         | 10.89        | -                         | 37.32            | 20.85            | 29.42            |
| Office Equipment    | 6.02             | 0.24                     | -                         | 6.26             | 3.67                          | 1.07         | -                         | 4.74             | 1.52             | 2.35             |
| Building            | 26.47            | -                        | -                         | 26.47            | 18.65                         | 0.74         | -                         | 19.39            | 7.08             | 7.82             |
| Computer            | 9.50             | 1.18                     | -                         | 10.68            | 7.39                          | 1.75         | -                         | 9.14             | 1.53             | 2.11             |
| <b>TOTAL</b>        | <b>314.99</b>    | <b>71.49</b>             | <b>22.04</b>              | <b>364.45</b>    | <b>221.95</b>                 | <b>32.00</b> | <b>20.64</b>              | <b>233.30</b>    | <b>131.14</b>    | <b>93.04</b>     |

As at 31.03.2025

(Rs. In Lakhs)

| Particulars            | Gross Block             |                                |                                 |                     | Depreciation and Amortization |                 |                                 |                         | Net Block           |                     |
|------------------------|-------------------------|--------------------------------|---------------------------------|---------------------|-------------------------------|-----------------|---------------------------------|-------------------------|---------------------|---------------------|
|                        | As on<br>01-04-<br>2024 | Addition<br>During<br>the year | Deduction<br>During<br>the year | As on<br>31-03-2025 | As on<br>01-04-2024           | For the<br>year | Deduction<br>During the<br>year | As on<br>31-03-<br>2025 | As on<br>31-03-2025 | As on<br>31-03-2024 |
| Land                   | -                       | 90.00                          | -                               | 90.00               | -                             | -               | -                               | -                       | 90.00               | -                   |
| Plant &<br>Machinery   | 262.87                  | 18.53                          | 16.92                           | 264.48              | 162.71                        | 25.30           | 14.35                           | 173.66                  | 90.83               | 100.15              |
| Furniture &<br>Fixture | 58.17                   | -                              | -                               | 58.17               | 37.32                         | 6.95            | -                               | 44.27                   | 13.90               | 20.85               |
| Office<br>Equipment    | 6.26                    | -                              | -                               | 6.26                | 4.74                          | 0.69            | -                               | 5.42                    | 0.84                | 1.52                |
| Building               | 26.47                   | -                              | -                               | 26.47               | 19.39                         | 0.68            | -                               | 20.06                   | 6.40                | 7.08                |
| Computer               | 10.68                   | 0.85                           | -                               | 11.52               | 9.14                          | 1.30            | -                               | 10.45                   | 1.08                | 1.53                |
| <b>TOTAL</b>           | <b>364.44</b>           | <b>109.37</b>                  | <b>16.92</b>                    | <b>456.90</b>       | <b>233.31</b>                 | <b>34.92</b>    | <b>14.35</b>                    | <b>253.86</b>           | <b>203.02</b>       | <b>131.14</b>       |

Notes: - The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE – 14**  
**DETAILS OF NON-CURRENT INVESTMENT**

(Rs. In Lakhs)

| Particulars               | As at March 31, |               |               |
|---------------------------|-----------------|---------------|---------------|
|                           | 2025            | 2024          | 2023          |
| <b>Trade Investment</b>   | -               | -             | -             |
| <b>Other Investments:</b> |                 |               |               |
| Investment in Mutual Fund | 131.13          | -             | -             |
| Investment in PMS Fund    | 507.66          | 443.06        | 308.55        |
| <b>TOTAL</b>              | <b>638.79</b>   | <b>443.06</b> | <b>308.55</b> |

|                                                                           |               |               |               |
|---------------------------------------------------------------------------|---------------|---------------|---------------|
| <b>Aggregate number of quoted investments and market value thereof: -</b> |               |               |               |
| Mutual Fund*                                                              | 130.70        | -             | -             |
| *Nippon India ETF 50 Bees- (C.Y- 38,488 units and PY-NIL)                 |               |               |               |
| Kotak Nifty 50 ETF- (C.Y- 7,775 units and PY-NIL)                         |               |               |               |
| ICICI Prudential BSE 500 ETF (C.Y- 23,600 units and PY-NIL)               |               |               |               |
| <b>Investment in PMS Fund</b>                                             | <b>507.65</b> | <b>446.12</b> | <b>311.27</b> |

**Notes:**

1. Refer Significant Accounting policy.
2. Investments are in compliance of section 186 of the Companies Act, 2013
3. Disclosure of Fair market value of Mutual Fund.

**ANNEXURE – 15**  
**DETAILS OF DEFERRED TAX ASSETS**

(Rs. In Lakhs)

| Particulars                                                               | As at March 31, |              |              |
|---------------------------------------------------------------------------|-----------------|--------------|--------------|
|                                                                           | 2025            | 2024         | 2023         |
| Net WDV as Per Companies Act                                              | 203.02          | 131.14       | 93.04        |
| Net WDV As per Income Tax Act                                             | 231.76          | 157.41       | 119.92       |
| Timing Difference Due to Depreciation                                     | 28.74           | 26.28        | 26.88        |
| <b>Deferred Tax Assets/(Liabilities) (A)</b>                              | <b>7.23</b>     | <b>6.61</b>  | <b>6.76</b>  |
|                                                                           |                 |              |              |
| Provision of Gratuity as at the year end                                  | 40.79           | 34.33        | 33.26        |
| Timing Difference Due to Gratuity Expenses                                | 40.79           | 34.33        | 33.26        |
| <b>Deferred Tax Assets/(Liabilities) (B)</b>                              | <b>10.27</b>    | <b>8.64</b>  | <b>8.37</b>  |
|                                                                           |                 |              |              |
| Bonus payable as at the year end                                          | 2.61            | 2.08         | 1.64         |
| Timing Difference Due to Bonus                                            | 2.61            | 2.08         | 1.64         |
| <b>Deferred Tax Assets/(Liabilities) (C)</b>                              | <b>0.66</b>     | <b>0.52</b>  | <b>0.41</b>  |
|                                                                           |                 |              |              |
| <b>Closing Balance of Deferred Tax Assets/(Liability) - (Net) (A+B+C)</b> | <b>18.17</b>    | <b>15.78</b> | <b>15.55</b> |

|                                                                   |              |              |              |
|-------------------------------------------------------------------|--------------|--------------|--------------|
| Opening Deferred Tax Assets/(Liability)                           | 15.78        | 15.55        | 14.23        |
|                                                                   |              |              |              |
| (Debited)/Credit to Restated Statement of Profit and Loss Account | 2.38         | 0.23         | 1.32         |
| <b>Closing Balance of Deferred Tax Assets/(Liability)</b>         | <b>18.17</b> | <b>15.78</b> | <b>15.55</b> |

#### ANNEXURE – 16

##### DETAILS OF OTHER NON-CURRENT ASSETS AS RESTATED

(Rs. In Lakhs)

| Particulars                                 | As at March 31, |              |              |
|---------------------------------------------|-----------------|--------------|--------------|
|                                             | 2025            | 2024         | 2023         |
| <b>Unsecured Considered Good:</b>           |                 |              |              |
| Security Deposits                           | 5.94            | 3.90         | 4.66         |
| <b>Balance with Government Authorities:</b> |                 |              |              |
| IGST Refund Claim                           | 1.25            | 1.25         | 1.25         |
| VAT Refund Receivable                       | 23.44           | 23.44        | 23.44        |
| MSEDCL - Under Protest                      | 2.66            | 2.66         | 2.66         |
| Advance for Capital Assets                  | 58.18           | -            | -            |
| <b>TOTAL</b>                                | <b>91.48</b>    | <b>31.25</b> | <b>32.01</b> |

#### ANNEXURE – 17

##### DETAILS OF INVENTORIES AS RESTATED

(Rs. In Lakhs)

| Particulars        | As at March 31, |               |               |
|--------------------|-----------------|---------------|---------------|
|                    | 2025            | 2024          | 2023          |
| <b>Inventories</b> |                 |               |               |
| Raw materials      | 118.09          | 112.95        | 121.37        |
| Finished Goods     | 90.04           | 70.95         | 24.23         |
| Packing Material   | 0.03            | 0.02          | 0.04          |
| <b>TOTAL</b>       | <b>208.16</b>   | <b>183.91</b> | <b>145.63</b> |

**Note: -**

1. Refer Material Accounting Policy Annexure 4
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.



**ANNEXURE – 18**  
**DETAILS OF TRADE RECEIVABLES AS RESTATED**

(₹ In Lakhs)

| Particulars                                 | As at March 31, |               |               |
|---------------------------------------------|-----------------|---------------|---------------|
|                                             | 2025            | 2024          | 2023          |
| <b>Trade Receivables</b>                    |                 |               |               |
| <b>A. Secured, Considered Good</b>          | -               | -             | -             |
| <b>B. Unsecured, Considered Good</b>        |                 |               |               |
| Outstanding for a period less than 6 months | 527.32          | 309.06        | 306.20        |
| Outstanding for a period more than 6 months | 27.63           | 29.62         | 50.41         |
| <b>C. Doubtful</b>                          |                 |               |               |
| Outstanding for a period less than 6 months | -               | -             | 5.16          |
| Outstanding for a period more than 6 months | 31.48           | 36.33         | 25.91         |
| <b>Less:- Provision for doubtful debt</b>   | (31.48)         | (36.33)       | (31.08)       |
| <b>TOTAL</b>                                | <b>554.95</b>   | <b>338.69</b> | <b>356.61</b> |

**Notes:**

1. There are no unbilled trade receivables.
2. List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**ANNEXURE 18(A)**

**TRADE RECEIVABLES AGING**

(₹ In Lakhs)

| Particulars                                                       | As at March 31, |               |               |
|-------------------------------------------------------------------|-----------------|---------------|---------------|
|                                                                   | 2025            | 2024          | 2023          |
| <b>Outstanding for following periods from due date of payment</b> |                 |               |               |
| <b>(i) Undisputed Trade receivables – considered good</b>         |                 |               |               |
| Less than 6 months                                                | 527.32          | 309.06        | 306.20        |
| 6 months - 1 year                                                 | 3.53            | 10.97         | 28.75         |
| 1-2 years                                                         | 8.04            | 16.96         | 16.87         |
| 2-3 years                                                         | 14.37           | 1.68          | 4.50          |
| More than 3 years                                                 | 1.68            | -             | 0.30          |
| <b>Total</b>                                                      | <b>554.95</b>   | <b>338.68</b> | <b>356.61</b> |
| <b>(ii) Undisputed Trade Receivables – considered doubtful</b>    |                 |               |               |
| Less than 6 months                                                | -               | -             | 5.16          |
| 6 months - 1 year                                                 | -               | 4.62          | 21.89         |
| 1-2 years                                                         | 0.81            | 27.60         | 3.62          |
| 2-3 years                                                         | 27.05           | 3.70          | 0.06          |
| More than 3 years                                                 | 3.62            | 0.41          | 0.35          |
| <b>Total</b>                                                      | <b>31.48</b>    | <b>36.33</b>  | <b>31.08</b>  |
| <b>(iii) Disputed Trade Receivables considered good</b>           | -               | -             | -             |

|                                                            |               |               |               |
|------------------------------------------------------------|---------------|---------------|---------------|
| Less than 6 months                                         | -             | -             | -             |
| 6 months - 1 year                                          | -             | -             | -             |
| 1-2 years                                                  | -             | -             | -             |
| 2-3 years                                                  | -             | -             | -             |
| More than 3 years                                          | -             | -             | -             |
| <b>Total</b>                                               | -             | -             | -             |
| <b>(iv) Disputed Trade Receivables considered doubtful</b> | -             | -             | -             |
| Less than 6 months                                         | -             | -             | -             |
| 6 months - 1 year                                          | -             | -             | -             |
| 1-2 years                                                  | -             | -             | -             |
| 2-3 years                                                  | -             | -             | -             |
| More than 3 years                                          | -             | -             | -             |
| <b>Total</b>                                               | -             | -             | -             |
| <b>TOTAL</b>                                               | <b>586.43</b> | <b>375.01</b> | <b>387.68</b> |

#### ANNEXURE 19

#### DETAILS OF CASH AND BANK BALANCE AS RESTATED

(Rs. In Lakhs)

| Particulars                                                                              | As at March 31, |               |               |
|------------------------------------------------------------------------------------------|-----------------|---------------|---------------|
|                                                                                          | 2025            | 2024          | 2023          |
| <b>A. Cash &amp; Cash Equivalents (as per Accounting Standard-3 Cash Flow Statement)</b> |                 |               |               |
| Cash in hand                                                                             | 22.42           | 5.36          | 1.27          |
| Balances with Bank                                                                       | 49.37           | 1.96          | 1.60          |
| Balance in overdraft account                                                             | 57.51           | -             | 53.40         |
| Other Bank Balance (Fixed Deposits having Maturity Less than 3 months)                   | -               | 200.00        | 50.00         |
| <b>B. Other Bank Balances</b>                                                            | -               | -             | -             |
| <b>Total</b>                                                                             | <b>129.30</b>   | <b>207.32</b> | <b>106.27</b> |

#### Notes:

- Deposits are renewed by the banks automatically. The above amount is a fair estimate of the value of deposits with bank.

## ANNEXURE 20

### DETAILS OF SHORT-TERM LOANS & ADVANCES AS RESTATED

(Rs. In Lakhs)

| Particulars                                  | As at March 31, |              |              |
|----------------------------------------------|-----------------|--------------|--------------|
|                                              | 2025            | 2024         | 2023         |
| <b>Loans And Advances</b>                    |                 |              |              |
| <b>Other Short-Term Loans &amp; Advances</b> |                 |              |              |
| Advance to Suppliers                         | 41.50           | 12.97        | 16.92        |
| Advance to Employees                         | 8.80            | 7.58         | 5.76         |
| Advance Remuneration to Director             | -               | 12.18        | -            |
| <b>TOTAL</b>                                 | <b>50.30</b>    | <b>32.72</b> | <b>22.67</b> |

## ANNEXURE 21

### DETAILS OF OTHER CURRENT ASSETS AS RESTATED

(Rs. In Lakhs)

| Particulars                       | As at March 31, |             |             |
|-----------------------------------|-----------------|-------------|-------------|
|                                   | 2025            | 2024        | 2023        |
| Accrued Interest on Fixed Deposit | -               | 0.06        | -           |
| Prepaid Expense                   | 1.13            | 3.21        | 1.97        |
| <b>TOTAL</b>                      | <b>1.13</b>     | <b>3.28</b> | <b>1.97</b> |

## ANNEXURE 22

### DETAILS OF REVENUE FROM OPERATIONS AS RESTATED

(Rs. In Lakhs)

| Particulars                          | For the year ended March 31, |                 |                 |
|--------------------------------------|------------------------------|-----------------|-----------------|
|                                      | 2025                         | 2024            | 2023            |
| <b>(i) Revenue From Operations</b>   |                              |                 |                 |
| Sales of Products                    | 2,282.20                     | 2,193.64        | 2,117.92        |
| <b>Total Revenue From Operations</b> | <b>2,282.20</b>              | <b>2,193.64</b> | <b>2,117.92</b> |

**Notes:**

- Revenue from Operations and Other Operating Revenue doesn't include the GST amount.

## ANNEXURE 22(A)

(Rs. In Lakhs)

| Particulars                                                 | For the year ended March 31, |                 |                 |
|-------------------------------------------------------------|------------------------------|-----------------|-----------------|
|                                                             | 2025                         | 2024            | 2023            |
| <b>Breakup of revenue from sale of Goods &amp; services</b> |                              |                 |                 |
| Domestic Sale                                               | 2,126.41                     | 1,858.46        | 2,040.30        |
| Export Sale                                                 | 155.79                       | 335.18          | 77.62           |
| <b>TOTAL</b>                                                | <b>2,282.20</b>              | <b>2,193.64</b> | <b>2,117.92</b> |

## ANNEXURE 23

### DETAILS OF OTHER INCOME AS RESTATED

(Rs. In Lakhs)

| Particulars                                 | For the year ended March 31, |              |              |
|---------------------------------------------|------------------------------|--------------|--------------|
|                                             | 2025                         | 2024         | 2023         |
| Custom Duty Refund                          | 1.45                         | 4.01         | 1.23         |
| Foreign Exchange Gain                       | 6.30                         | 2.84         | -            |
| Profit on Sale of fixed asset               | 8.15                         | 12.52        | -            |
| Rental Income                               | 3.79                         | 3.77         | 3.44         |
| Interest on Investment                      | 57.68                        | 45.80        | 10.78        |
| Other Misc. Income                          | 2.95                         | 2.00         | 1.35         |
| Dividend Income                             | 0.63                         | -            | 0.31         |
| Gain on Investment                          | 2.11                         | 0.36         | 1.24         |
| Excess Provision for Doubtful Debt Reversed | 5.65                         | -            | -            |
| Interest on Fixed Deposit                   | 0.38                         | 0.73         | 0.33         |
| <b>TOTAL</b>                                | <b>89.09</b>                 | <b>72.03</b> | <b>18.68</b> |

**Note:**

The classification of other income as recurring/ not recurring, related/ not related to business activity is based on the current operations and business activity of the company as determined by the management.

## ANNEXURE 24 DETAILS OF COST OF MATERIAL CONSUMED AS RESTATED

(Rs. In Lakhs)

| Particulars                      | For the year ended March 31, |                 |                 |
|----------------------------------|------------------------------|-----------------|-----------------|
|                                  | 2025                         | 2024            | 2023            |
| <b>Raw Material</b>              |                              |                 |                 |
| Opening stock                    | 112.95                       | 121.37          | 83.36           |
| Add: Purchases                   | 1,014.97                     | 1,268.23        | 1,163.89        |
| Less: Closing stock              | 118.09                       | 112.95          | 121.37          |
| <b>Subtotal (i)</b>              | <b>1,009.83</b>              | <b>1,276.65</b> | <b>1,125.88</b> |
| <b>Packing Materials</b>         |                              |                 |                 |
| Opening Stock                    | 0.02                         | 0.04            | 0.10            |
| Add : Purchases                  | 33.09                        | 11.63           | 15.02           |
| Less:-Closing Stock              | 0.03                         | 0.02            | 0.04            |
| <b>Subtotal (ii)</b>             | <b>33.08</b>                 | <b>11.64</b>    | <b>15.09</b>    |
|                                  |                              |                 |                 |
| <b>Cost of Material Consumed</b> | <b>1,042.91</b>              | <b>1,288.29</b> | <b>1,140.97</b> |

## ANNEXURE – 25

### DETAILS OF CHANGE IN INVENTORIES OF FINISHED GOODS

(Rs. In Lakhs)

| Particulars         | For the year ended March 31, |      |      |
|---------------------|------------------------------|------|------|
|                     | 2025                         | 2024 | 2023 |
| <b>Inventories:</b> |                              |      |      |

|                            |                |                |                |
|----------------------------|----------------|----------------|----------------|
| <b>Opening Stock</b>       |                |                |                |
| Finished Goods             | 70.95          | 24.23          | 21.77          |
| <b>Sub Total</b>           | <b>70.95</b>   | <b>24.23</b>   | <b>21.77</b>   |
| <b>Closing Stock</b>       |                |                |                |
| Finished Goods             | 90.04          | (70.95)        | (24.23)        |
| <b>Sub Total</b>           | <b>90.04</b>   | <b>(70.95)</b> | <b>(24.23)</b> |
| <b>Change In Inventory</b> | <b>(19.09)</b> | <b>(46.72)</b> | <b>(2.45)</b>  |

#### ANNEXURE – 26

##### DETAILS OF EMPLOYEE BENEFITS EXPENSE AS RESTATED

(Rs. In Lakhs)

| Particulars                               | For the year ended March 31, |               |               |
|-------------------------------------------|------------------------------|---------------|---------------|
|                                           | 2025                         | 2024          | 2023          |
| Salaries & Wages                          | 91.61                        | 75.05         | 62.57         |
| Directors Remuneration                    | 115.00                       | 130.00        | 130.00        |
| Staff welfare expense                     | 16.52                        | 8.23          | 9.75          |
| Incentives and Bonus                      | 2.61                         | 4.99          | 4.41          |
| Gratuity                                  | 6.47                         | 4.16          | 5.12          |
| Contribution to provident and other funds | 8.72                         | 7.97          | 8.05          |
| Keyman Insurance                          | 5.00                         | 5.00          | 5.00          |
| <b>Total</b>                              | <b>245.93</b>                | <b>235.41</b> | <b>224.90</b> |

#### ANNEXURE – 27

##### DETAILS OF FINANCE COST AS RESTATED

(Rs. In Lakhs)

| Particulars                  | For the year ended March 31, |             |             |
|------------------------------|------------------------------|-------------|-------------|
|                              | 2025                         | 2024        | 2023        |
| Interest on Bank overdraft   | 2.27                         | 2.34        | 2.97        |
| Processing and Other Charges | 0.62                         | 0.40        | 0.93        |
| <b>Total</b>                 | <b>2.89</b>                  | <b>2.74</b> | <b>3.90</b> |

#### ANNEXURE – 28

##### DETAILS OF DEPRECIATION & AMORTISATION AS RESTATED

(Rs. In Lakhs)

| Particulars           | For the year ended March 31, |              |              |
|-----------------------|------------------------------|--------------|--------------|
|                       | 2025                         | 2024         | 2023         |
| Depreciation Expenses | 34.92                        | 32.00        | 23.29        |
| <b>Total</b>          | <b>34.92</b>                 | <b>32.00</b> | <b>23.29</b> |

**ANNEXURE – 29**  
**DETAILS OF OTHER EXPENSES AS RESTATED**

(Rs. In Lakhs)

| Particulars                    | For the year ended March 31, |               |               |
|--------------------------------|------------------------------|---------------|---------------|
|                                | 2025                         | 2024          | 2023          |
| Auditors Remuneration          | 5.00                         | 0.66          | 0.63          |
| Bank Charges                   | 1.52                         | 0.52          | 0.49          |
| Commission                     | 37.21                        | 44.18         | 40.29         |
| Courier Charges                | 2.50                         | 2.17          | 1.41          |
| Donations                      | 0.09                         | 0.07          | 0.04          |
| Exhibition Expense             | 1.43                         | 11.28         | 9.58          |
| Factory Building Maintenance   | 6.10                         | 13.88         | 3.72          |
| Factory Rent                   | 70.21                        | 76.81         | 83.93         |
| Freight Outward                | 29.69                        | 21.85         | 17.97         |
| Hamali Charges                 | 2.90                         | 4.63          | 4.37          |
| Insurance                      | 3.94                         | 3.13          | 1.90          |
| Interest on Income Tax         | 0.67                         | 2.24          | 1.51          |
| Legal & Professional charges   | 13.90                        | 3.22          | 3.33          |
| Lab Testing Charges            | 0.08                         | 0.69          | 0.20          |
| Membership Fees                | 0.92                         | 0.18          | 0.58          |
| Motor Car Expenses             | 9.32                         | 10.36         | 6.10          |
| Office Expenses                | 11.01                        | 7.81          | 5.32          |
| Power & Fuel                   | 39.07                        | 36.32         | 42.10         |
| Printing & Stationery          | 1.63                         | 2.38          | 2.83          |
| Provision for Doubtful Debt    | -                            | 5.27          | 31.08         |
| Rates & Taxes                  | 20.86                        | 4.60          | 3.50          |
| Repairs & Maintenance          | 9.75                         | 26.58         | 35.37         |
| Sales Promotion Expenses       | 7.06                         | 4.03          | 15.07         |
| Bad Debts                      | 0.98                         | 1.60          | -             |
| Short term Loss- PMS           | -                            | 0.21          | 1.24          |
| Long term Capital Loss         | -                            | 0.04          | -             |
| Stall Fabrication & Instalment | -                            | 4.00          | 5.58          |
| Communication Expenses         | 1.92                         | 2.27          | 1.75          |
| Foreign Exchange Loss          | -                            | -             | 0.32          |
| Portfolio handling expense     | 8.06                         | 5.75          | 2.53          |
| Travelling Expenses            | 13.86                        | 11.90         | 0.34          |
| Washing Cleaning Charges       | 9.08                         | 3.53          | 3.53          |
| Water Charges                  | 0.55                         | 1.71          | 2.67          |
| Misc Expenses                  | 14.03                        | 5.33          | 6.72          |
| <b>TOTAL</b>                   | <b>323.36</b>                | <b>319.22</b> | <b>335.99</b> |

**ANNEXURE - 29(A)**

**1. Payment to Auditors**

(Rs. In Lakhs)

| Particulars         | For the year ended March 31, |      |      |
|---------------------|------------------------------|------|------|
|                     | 2025                         | 2024 | 2023 |
| For Statutory Audit | 4.00                         | 0.25 | 0.22 |

|               |             |             |             |
|---------------|-------------|-------------|-------------|
| For Tax Audit | 0.50        | 0.15        | 0.15        |
| For Others    | 0.50        | 0.26        | 0.26        |
| <b>Total</b>  | <b>5.00</b> | <b>0.66</b> | <b>0.63</b> |

## 2. CSR Expenditure

In accordance with the provisions of Section 135 of the Companies Act, 2013, the Company is not required to undertake Corporate Social Responsibility (CSR) activities for the reporting period, as the Company does not meet the prescribed thresholds under the Act. Specifically, the Company has not met the following criteria that trigger CSR obligations:

- A. Net worth of ₹500 crore or more
- B. Turnover of ₹1,000 crore or more
- C. Net profit of ₹5 crore or more

As the Company does not fall within the applicability criteria mentioned above, the CSR provisions are not applicable and therefore, no expenditure has been made on CSR activities during the financial year.

Also, CSR expense will be applicable for subsequent financial year and not in Current Financial Year. As the following criteria is for Previous year and not Current Year.

### ANNEXURE – 30 DETAILS OF CONTINGENT LIABILITIES AS RESTATED (Rs. In Lakhs)

| Particulars       | For the year ended March 31, |             |             |
|-------------------|------------------------------|-------------|-------------|
|                   | 2025                         | 2024        | 2023        |
| In Respect of GST | 4.13                         | 4.13        | -           |
| In Respect of TDS | 2.86                         | 2.01        | 2.01        |
| <b>TOTAL</b>      | <b>6.99</b>                  | <b>6.14</b> | <b>2.01</b> |

**ANNEXURE – 31**  
**RESTATED STATEMENT OF RELATED PARTY TRANSACTION**

**List of Related Parties as per AS - 18**

| <b>Particulars</b>                                  | <b>Names of related parties</b> | <b>Nature of Relationship</b>                                                             |
|-----------------------------------------------------|---------------------------------|-------------------------------------------------------------------------------------------|
| <b>Directors and Key Management Personnel (KMP)</b> |                                 |                                                                                           |
|                                                     | Mehul Pravinchandra Joshi       | Director (Upto 12th March 2025)<br>Chairman and Managing Director (w.e.f 13th March 2025) |
|                                                     |                                 |                                                                                           |
|                                                     | Bhakti Mehul Joshi              | Director (Upto 12th March 2025)<br>Whole Time Director (w.e.f 13th March 2025)            |
|                                                     |                                 |                                                                                           |
|                                                     | Hiral Rasikbhai Joshi           | Non-Executive Director (w.e.f 12th March 2025)                                            |
|                                                     |                                 |                                                                                           |
|                                                     | Rashmi Parab                    | Chief Financial Officer (w.e.f 12th March 2025)                                           |
|                                                     |                                 |                                                                                           |
|                                                     | Shilpa Karan Mehta              | Company Secretary                                                                         |
| <b>Relative of Director</b>                         |                                 |                                                                                           |
|                                                     | Usha Pravinchandra Joshi        | Relative of Director                                                                      |
|                                                     | Pravinchandra Girdharlal Joshi  | Relative of Director                                                                      |



**Details of transactions with related parties and balances**

**(Rs. In Lakhs)**

| Name                                  | Relationship                 | Nature of transaction | 31 March 2025                         |                                                     | 31 March 2024                         |                                                     | 31 March 2023                         |                                                     |
|---------------------------------------|------------------------------|-----------------------|---------------------------------------|-----------------------------------------------------|---------------------------------------|-----------------------------------------------------|---------------------------------------|-----------------------------------------------------|
|                                       |                              |                       | Amount of transaction during the year | Balance as at 31 March 2025 Receivables/ (Payables) | Amount of transaction during the year | Balance as at 31 March 2024 Receivables/ (Payables) | Amount of transaction during the year | Balance as at 31 March 2023 Receivables/ (Payables) |
| <b>Mehul Pravinchandra Joshi</b>      | Chairman & Managing Director | Rent Expenses         | 27.00                                 | (11.06)                                             | 27.00                                 | -                                                   | 26.50                                 | (0.92)                                              |
|                                       |                              | Director Remuneration | 33.80                                 | (0.40)                                              | 33.80                                 | 4.47                                                | 33.80                                 | (1.57)                                              |
|                                       |                              |                       |                                       |                                                     |                                       |                                                     |                                       |                                                     |
| <b>Bhakti Mehul Joshi</b>             | Whole Time Director          | Rent Expenses         | 22.80                                 | (10.07)                                             | 22.80                                 | -                                                   | 22.30                                 | -                                                   |
|                                       |                              | Director Remuneration | 31.20                                 | (1.00)                                              | 31.20                                 | 4.79                                                | 31.20                                 | (1.65)                                              |
|                                       |                              |                       |                                       |                                                     |                                       |                                                     |                                       |                                                     |
| <b>Pravinchandra Girdharlal Joshi</b> | Relative of Director         | Rent Expenses         | 7.70                                  | (1.73)                                              | 8.05                                  | (0.32)                                              | 12.11                                 | -                                                   |
|                                       |                              | Director Remuneration | 24.00                                 | -                                                   | 33.80                                 | 1.38                                                | 33.80                                 | (1.95)                                              |
|                                       |                              |                       |                                       |                                                     |                                       |                                                     |                                       |                                                     |
| <b>Usha Pravinchandra Joshi</b>       | Relative of Director         | Rent Expenses         | 6.11                                  | (0.35)                                              | 18.12                                 | (1.16)                                              | 18.12                                 | -                                                   |
|                                       |                              | Director Remuneration | 26.00                                 | -                                                   | 31.20                                 | 1.53                                                | 31.20                                 | (1.80)                                              |
|                                       |                              |                       |                                       |                                                     |                                       |                                                     |                                       |                                                     |
| <b>Rashmi Parab</b>                   | Chief Financial Officer      | Salary                | 0.31                                  | -                                                   | -                                     | -                                                   | -                                     | -                                                   |
|                                       |                              |                       |                                       |                                                     |                                       |                                                     |                                       |                                                     |
| <b>Shilpa Karan Mehta</b>             | Company Secretary            | Salary                | 0.16                                  | -                                                   | -                                     | -                                                   | -                                     | -                                                   |

Note: -

4. List of Related parties has been identified by the management and relied upon by the Auditor.
5. The amount stated above are exclusive of GST.
6. The transactions pertaining to the CFO and Non-Executive Director are effective from 12th March 2025

**ANNEXURE – 32**  
**STATEMENT OF TAX SHELTERS**

(Rs. In Lakhs)

| Particulars                                                         | Year ended<br>March 31,<br>2025 | Year ended<br>March 31,<br>2024 | Year ended<br>March 31,<br>2023 |
|---------------------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Restated Profit before tax (A)                                      | 740.38                          | 434.73                          | 410.00                          |
| Tax Rate (%)                                                        | 25.17%                          | 25.17%                          | 25.17%                          |
| <b>Adjustments :</b>                                                |                                 |                                 |                                 |
| Donation                                                            | 0.09                            | 0.07                            | 0.04                            |
| Expenses disallowed - Director Expenses                             | -                               | -                               | 12.33                           |
| Expenses disallowed - Capital Expenses                              | 11.28                           | -                               | 1.83                            |
| Expenses disallowed - Income Tax                                    | 0.09                            | 2.24                            | 2.25                            |
| Depreciation as per CA act, 2013                                    | 34.92                           | 32.00                           | 23.29                           |
| Expenses disallowed - Late payment of PF & ESIC(Employee shares)    | -                               | 0.75                            | 1.75                            |
| Expenses disallowed - Professional Tax late fees                    | 0.21                            | -                               | -                               |
| Expenses disallowed - GST Penalty                                   | 0.25                            | -                               | -                               |
| Expenses disallowed - long term / Short term capital loss           | -                               | 0.25                            | 1.24                            |
| Income not to considered - Profit on sale of motor car              | (8.15)                          | (12.52)                         | -                               |
| Expenses disallowed - Interest on TDS                               | -                               | -                               | -                               |
| <b>Total Permanent Differences(B)</b>                               | <b>38.71</b>                    | <b>22.80</b>                    | <b>42.74</b>                    |
| <b>Timing Differences (C)</b>                                       |                                 |                                 |                                 |
| Amt Disallowed during PY and allowed during CY (Bonus, MSME and PT) | (8.60)                          | (1.64)                          | -                               |
| Gratuity Expenses                                                   | 6.47                            | 4.16                            | 5.12                            |
| Gratuity Paid during the Year                                       | -                               | (3.10)                          | (5.45)                          |
| Provision for Doubtful Debt                                         | (5.65)                          | 5.27                            | 31.08                           |
| Expenses Disallowed Under Section 43 B (Bonus, MSME and PT)         | 2.61                            | 7.39                            | 0.53                            |
| Expenses Disallowed on which TDS not deducted                       | 0.75                            | -                               | -                               |
| Depreciation as per Income Tax act                                  | (24.31)                         | (20.09)                         | (17.73)                         |
| <b>Total Timing Differences (C)</b>                                 | <b>(28.73)</b>                  | <b>(8.01)</b>                   | <b>13.55</b>                    |
| <b>Income consider in House property Head (D)</b>                   | -                               | -                               | -                               |
| <b>Income consider in Other Income (E)</b>                          | 58.69                           | 46.53                           | 12.66                           |
| <b>Income consider in Capital Gains (F)</b>                         | 2.11                            | 0.15                            | -                               |
| <b>Net Adjustments G = (B+C-D-E-F)</b>                              | <b>(50.83)</b>                  | <b>(31.89)</b>                  | <b>43.63</b>                    |
|                                                                     |                                 |                                 |                                 |
| <b>Income from PGBP (H)</b>                                         | <b>689.55</b>                   | <b>402.83</b>                   | <b>453.63</b>                   |
|                                                                     |                                 |                                 |                                 |
| <b>Income consider in Capital Gains excluding LTCG (I)</b>          | 2.03                            | 0.15                            | -                               |
| <b>Total</b>                                                        | <b>2.03</b>                     | <b>0.15</b>                     | <b>-</b>                        |
| <b>Income consider in Other Income (J)</b>                          |                                 |                                 |                                 |
| Interest Income                                                     | 58.06                           | 46.53                           | 11.11                           |
| Dividend                                                            | 0.63                            | -                               | 0.31                            |
| Other Income from PMS Investment                                    | -                               | -                               | 1.24                            |

|                                                         |               |               |               |
|---------------------------------------------------------|---------------|---------------|---------------|
| <b>Total</b>                                            | <b>58.69</b>  | <b>46.53</b>  | <b>12.66</b>  |
| <b>Gross Total Income (K=H+I+J)</b>                     | <b>750.27</b> | <b>449.52</b> | <b>466.29</b> |
| <b>Income Tax as returned/computed (L)</b>              | <b>188.83</b> | <b>113.13</b> | <b>117.35</b> |
| <b>Interest U/s 234A, B and C of Income Tax Act (M)</b> | <b>3.63</b>   | <b>-</b>      | <b>-</b>      |
| <b>Total Tax expenses (L+M)</b>                         | <b>192.45</b> | <b>113.13</b> | <b>117.35</b> |

**ANNEXURE – 33**  
**CAPITALISATION STATEMENT AS AT March 31, 2025**

| (Rs. In Lakhs)                              |                 |            |
|---------------------------------------------|-----------------|------------|
| Particulars                                 | Pre Issue       | Post Issue |
| <b>Borrowings</b>                           |                 |            |
| Short term debt (A)                         | -               | -          |
| Long Term Debt (B)                          | -               | -          |
| <b>Total debts (C)</b>                      | -               | -          |
| <b>Shareholders' funds</b>                  |                 |            |
| Equity share capital                        | 754.10          | *          |
| Reserve and surplus - as restated           | 951.96          | *          |
| <b>Total shareholders' funds</b>            | <b>1,706.06</b> | *          |
| <b>Long term debt / shareholders' funds</b> | -               | *          |
| <b>Total debt / shareholders' funds</b>     | -               | *          |

\* The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

1. Short term Debts represent which are expected to be paid/payable within 12 months and Excludes instalments of term loans repayable in within 12 months.
2. Long term Debts represent debts other than short term Debts as defined above.

# ANNEXURE – 34

## RESTATED STATEMENT OF ACCOUNTING RATIOS & ADDITIONAL REGULATORY INFORMATION

### A. MANDATORY RATIOS

(Rs. In Lakhs except no. of shares)

| Particulars                                                                                                                     | Year ended<br>31.03.2025 | Year ended<br>31.03.2024 | Year ended<br>31.03.2023 |
|---------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| EBITDA                                                                                                                          | 688.47                   | 397.03                   | 417.59                   |
| Net Profit/(Loss) as Restated                                                                                                   | 550.30                   | 321.82                   | 293.96                   |
| Net Worth                                                                                                                       | 1706.06                  | 1155.71                  | 835.76                   |
| Return on Net worth (%)                                                                                                         | 32.26%                   | 27.85%                   | 35.17%                   |
| Equity Share at the end of year<br>(in Nos.) (Face Value Rs. 10)                                                                | 75,41,040                | 2,90,040                 | 2,90,040                 |
| Weighted No. of Equity Shares<br>considering bonus in every year                                                                | 75,41,040                | 75,41,040                | 75,41,040                |
| Basic and Diluted Earnings per<br>Equity Share (Based on the<br>Adjusted Net Worth and<br>Weighted Average number of<br>Shares) | 7.30                     | 4.27                     | 3.90                     |
| Net Asset Value/Book Value per<br>Equity share (Based on the<br>Weighted Average number of<br>Shares)                           | 22.62                    | 15.33                    | 11.08                    |

\*Bonus issued of 72,51,000 Equity Shares of Face Value of ₹ 10/- each in the ratio of 25:1 i.e. Twenty-Five (25) Bonus Equity Share for every One (1) Equity Shares held by shareholders allotted on, 24th October 2024. Same has been Considered for Weighted Average number of Shares.

#### Note:

1) The ratios have been computed as below:

- Basic earnings per share (Rs.): - Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year.
- Diluted earnings per share (Rs.): - Net profit after tax as restated for calculating diluted EPS / Weighted average number of equities shares outstanding at the end of the period or year for diluted EPS.
- Return on net worth (%): - Net profit after tax (as restated) / Net worth at the end of the period or year.
- Net assets value per share: - Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year.

2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/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 period/year.

3) Net worth for ratios is = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).

4) The figures disclosed above are based on the restated summary statements of the Company.

5) EBITDA has been calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

## B. RESTATED STATEMENT OF OTHER ACCOUNTING RATIOS

| Sr. No . | Ratios                                                                                        | Formula Heads                                                                                 | Year ended 31.03.2025 | Year ended 31.03.2024 | Year ended 31.03.2023 |
|----------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|
|          |                                                                                               | Current Assets                                                                                | 943.85                | 765.92                | 633.16                |
|          |                                                                                               | Current Liabilities                                                                           | 154.72                | 200.50                | 218.13                |
| 1        | Current Ratio (in times)                                                                      | Current Assets/ Current Liabilities                                                           | 6.10                  | 3.82                  | 2.90                  |
|          | (Current Assets/ Current Liabilities)                                                         |                                                                                               |                       |                       |                       |
|          |                                                                                               |                                                                                               |                       |                       |                       |
|          |                                                                                               | Total Debt                                                                                    | -                     | 36.16                 | -                     |
|          |                                                                                               | Equity                                                                                        | 1,706.07              | 1,155.71              | 835.76                |
| 2        | Debt Equity Ratio (in times)                                                                  | Total Debt/ Total Equity                                                                      | -                     | 0.03                  | -                     |
|          | (Total Debt/ Total Equity)                                                                    |                                                                                               |                       |                       |                       |
|          |                                                                                               |                                                                                               |                       |                       |                       |
|          |                                                                                               | EBITDA                                                                                        | 688.47                | 397.03                | 417.59                |
|          |                                                                                               | Interest                                                                                      | 2.27                  | 2.34                  | 2.97                  |
|          |                                                                                               |                                                                                               |                       |                       |                       |
|          |                                                                                               | Current Payment of Principal Payment                                                          |                       |                       |                       |
| 3        | Debt Service Coverage Ratio (in times)                                                        | Earnings available for debt service/ (Interest Expense + Current payment of Principal amount) | 303.74                | 169.88                | 140.42                |
|          | Earnings available for debt service/ (Interest Expense + Current payment of Principal amount) |                                                                                               |                       |                       |                       |
|          |                                                                                               |                                                                                               |                       |                       |                       |
|          |                                                                                               | Profit after tax                                                                              | 550.30                | 321.82                | 293.96                |
|          |                                                                                               | Average Equity                                                                                | 1,430.88              | 995.74                | 688.78                |
| 4        | Return on Equity Ratio (in %)                                                                 | Profit after tax/ Average Equity                                                              | 38.46%                | 32.32%                | 42.68%                |
|          | (Profit after tax/ Equity)                                                                    |                                                                                               |                       |                       |                       |
|          |                                                                                               |                                                                                               |                       |                       |                       |
|          |                                                                                               | Cost of Goods Sold                                                                            | 1,023.82              | 1,241.58              | 1,138.51              |
|          |                                                                                               | Average Inventory                                                                             | 196.03                | 164.77                | 125.43                |

|    |                                                              |                                                                                  |          |          |          |
|----|--------------------------------------------------------------|----------------------------------------------------------------------------------|----------|----------|----------|
| 5  | Inventory Turnover Ratio (in times)                          | Cost of Goods Sold / Average Inventory                                           | 5.22     | 7.54     | 9.08     |
|    | (Cost of Goods Sold / Average Inventory)                     |                                                                                  |          |          |          |
|    |                                                              |                                                                                  |          |          |          |
|    |                                                              | Revenue from operations                                                          | 2,282.20 | 2,193.64 | 2,117.92 |
|    |                                                              | Average Debtors                                                                  | 446.82   | 347.65   | 517.92   |
| 6  | Trade Receivables Turnover Ratio (in times)                  | Sales /Average Trade Receivables                                                 | 5.11     | 6.31     | 4.09     |
|    | (Sales /Average Trade Receivables)                           |                                                                                  |          |          |          |
|    |                                                              |                                                                                  |          |          |          |
|    |                                                              | Purchases                                                                        | 1,014.97 | 1,268.23 | 1,163.89 |
|    |                                                              | Average Creditors                                                                | 58.12    | 110.80   | 181.05   |
| 7  | Trade Payables Turnover Ratio (in times)                     | Purchases/Average Trade Payables                                                 | 17.46    | 11.45    | 6.43     |
|    | (Purchases/Average Trade Payables)                           |                                                                                  |          |          |          |
|    |                                                              |                                                                                  |          |          |          |
|    |                                                              | Revenue from operations                                                          | 2,282.20 | 2,193.64 | 2,117.92 |
|    |                                                              | Average working capital i.e. Total current assets less Total current liabilities | 677.27   | 490.23   | 418.03   |
| 8  | Net Capital Turnover Ratio (in times)                        | Revenue from Operations/Average Working Capital                                  | 3.37     | 4.47     | 5.07     |
|    | (Revenue from Operations/Average Working Capital)            |                                                                                  |          |          |          |
|    |                                                              |                                                                                  |          |          |          |
|    |                                                              | Profit for the year                                                              | 550.30   | 321.82   | 293.96   |
|    |                                                              | Revenue from operations                                                          | 2,282.20 | 2,193.64 | 2,117.92 |
| 9  | Net Profit Ratio (in %)                                      | Profit for the year/Revenue from operations                                      | 24.11%   | 14.67%   | 13.88%   |
|    | (Profit for the year/Revenue from operations)                |                                                                                  |          |          |          |
|    |                                                              |                                                                                  |          |          |          |
|    |                                                              | Profit before tax plus Interest                                                  | 742.64   | 437.06   | 412.97   |
|    |                                                              | Capital Employed = Total Equity plus total borrowing                             | 1,706.07 | 1,191.87 | 835.76   |
| 10 | Return on Capital Employed (in %)                            | Profit before tax and Interest/ Equity and borrowings                            | 43.53%   | 36.67%   | 49.41%   |
|    | (Profit before tax and finance costs/ Equity and borrowings) |                                                                                  |          |          |          |

### C. REASON FOR CHANGE IN THE RATIO

| Sr. No . | Ratios                                      | Formula Heads                                                                                    | Year ended 31.03.2025 | Year ended 31.03.2024 | Change in Ratio | Reason for Change in the Ratio                                                             |
|----------|---------------------------------------------|--------------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------|--------------------------------------------------------------------------------------------|
| 1        | Current Ratio (in times)                    | Current Assets/<br>Current Liabilities                                                           | 6.10                  | 3.82                  | 59.69%          | Change in ratio due to Increase in current assets such as debtors and Other Current Asset  |
| 2        | Debt Equity Ratio (in times)                | Total Debt/ Total Equity                                                                         | -                     | 0.03                  | - 100.00 %      | Change in ratio is due to decrease in Debt                                                 |
| 3        | Debt Service Coverage Ratio (in times)      | Earnings available for debt service/<br>(Interest Expense + Current payment of Principal amount) | 303.74                | 169.88                | 78.80%          | Change in ratio due to increases in profit and decrease in interest expense                |
| 4        | Return on Equity Ratio (in %)               | Profit after tax/<br>Average Equity                                                              | 38.46%                | 32.32%                | 19.00%          | NA*                                                                                        |
| 5        | Inventory Turnover Ratio (in times)         | Cost of Goods Sold / Average Inventory                                                           | 5.22                  | 7.54                  | -30.69%         | Change in ratio due to decrease in Cost of goods sold                                      |
| 6        | Trade Receivables Turnover Ratio (in times) | Sales /Average Trade Receivables                                                                 | 5.11                  | 6.31                  | -19.05%         | NA*                                                                                        |
| 7        | Trade Payables Turnover Ratio (in times)    | Purchases/Average Trade Payables                                                                 | 17.46                 | 11.45                 | 52.58%          | Change in ratio due to decrease in trade payable                                           |
| 8        | Net Capital Turnover Ratio (in times)       | Revenue from Operations/Average Working Capital                                                  | 3.37                  | 4.47                  | -24.70%         | NA*                                                                                        |
| 9        | Net Profit Ratio (in %)                     | Profit for the year/Revenue from operations                                                      | 24.11%                | 14.67%                | 64.36%          | Change in ratio due to increase in Turnover and decrease in Cost of goods sold and expense |
| 10       | Return on Capital Employed (in %)           | Profit before tax and Interest/ Equity and borrowings                                            | 43.53%                | 36.67%                | 18.70%          | NA*                                                                                        |

\*Reason not provided as change is less than 25%

| Sr. No. | Ratios                                      | Formula Heads                                                                                 | Year ended 31.03.2024 | Year ended 31.03.2023 | Change in Ratio | Reason for Change in the Ratio                                             |
|---------|---------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------|----------------------------------------------------------------------------|
| 1       | Current Ratio (in times)                    | Current Assets/ Current Liabilities                                                           | 3.82                  | 2.90                  | 31.61%          | Change in ratio due to increases in profit and Increase in current assets. |
| 2       | Debt Equity Ratio (in times)                | Total Debt/ Total Equity                                                                      | 0.03                  | -                     | NA              | NA*                                                                        |
| 3       | Debt Service Coverage Ratio (in times)      | Earnings available for debt service/ (Interest Expense + Current payment of Principal amount) | 169.88                | 140.42                | 20.98%          | NA*                                                                        |
| 4       | Return on Equity Ratio (in %)               | Profit after tax/ Average Equity                                                              | 32.32%                | 42.68%                | - 24.27%        | NA*                                                                        |
| 5       | Inventory Turnover Ratio (in times)         | Cost of Goods Sold / Average Inventory                                                        | 7.54                  | 9.08                  | - 16.98%        | NA*                                                                        |
| 6       | Trade Receivables Turnover Ratio (in times) | Sales /Average Trade Receivables                                                              | 6.31                  | 4.09                  | 54.30%          | Change in ratio due to increase in Turnover                                |
| 7       | Trade Payables Turnover Ratio (in times)    | Purchases/Average Trade Payables                                                              | 11.45                 | 6.43                  | 78.05%          | Change in ratio due to increase in trade payable                           |
| 8       | Net Capital Turnover Ratio (in times)       | Revenue from Operations/Average Working Capital                                               | 4.47                  | 5.07                  | - 11.68%        | NA*                                                                        |
| 9       | Net Profit Ratio (in %)                     | Profit for the year/Revenue from operations                                                   | 14.67%                | 13.88%                | 5.70%           | NA*                                                                        |
| 10      | Return on Capital Employed (in %)           | Profit before tax and Interest/ Equity and borrowings                                         | 36.67%                | 49.41%                | - 25.79%        | Change in ratio due to increase in net profit                              |

\*Reason not provided as change is less than 25%

Foreign Exchange earnings, expenditures and Hedge and unhedged status of Balance receivable and payable is as under: -

| Particulars             | For the period ended on |        |        |
|-------------------------|-------------------------|--------|--------|
|                         | Mar-25                  | Mar-24 | Mar-23 |
| 1. CIF Value of Imports |                         |        |        |



|                                                                |             |             |             |
|----------------------------------------------------------------|-------------|-------------|-------------|
| Raw Material                                                   |             |             |             |
| In USD                                                         | 15,316.00   | 14,661.00   | 36,288.00   |
| In INR- Lakhs                                                  | 13.30       | 12.25       | 28.58       |
|                                                                |             |             |             |
| <b>2. Earnings in Foreign Currency</b>                         |             |             |             |
| Exports - In USD                                               | 1,89,300.00 | 4,07,934.00 | 1,00,051.00 |
| Exports - In INR                                               | 155.79      | 335.18      | 77.62       |
| <b>Disclosure Regarding Unhedged Foreign Currency Exposure</b> |             |             |             |

| <b>Disclosure of Unhedged Balances:</b>      | <b>For the period ended on</b> |               |               |
|----------------------------------------------|--------------------------------|---------------|---------------|
|                                              | <b>Mar-25</b>                  | <b>Mar-24</b> | <b>Mar-23</b> |
| <b>Trade payables (including advances)</b>   |                                |               |               |
| In USD                                       | -                              | -             | -             |
| In INR- Lakhs                                | -                              | -             | -             |
| <b>Trade Receivable (including advances)</b> |                                |               |               |
| In USD                                       | 18,900.00                      | 81,760.00     | 7,425.00      |
| In INR- Lakhs                                | 16.19                          | 67.28         | 6.12          |
|                                              |                                |               |               |

#### **D. Additional Regulatory Information**

##### **Title Deed of Immovable property**

- The title deeds of the Immovable Property are held in the name of the Company.
- The company has not revalued its Property, Plant and Equipment. Accordingly disclosures as required under this para is not applicable.

##### **Details of Loans and advances**

The company has granted loans and advances to promoters, directors, key managerial personnel (KMPs) and the related parties which are repayable on demand or without specifying any terms or period of repayment. Details of which are as follows:

(Rs. In Lakhs)

| <b>Type of Borrower</b>                                           | <b>Amount as on 31 March 2025</b> | <b>Amount as on 31 March 2024</b> | <b>Amount as on 31 March 2023</b> |
|-------------------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Promoters                                                         | -                                 | -                                 | -                                 |
| Percentage to the total Loans and Advances in the nature of loans | -                                 | -                                 | -                                 |
| Directors                                                         | -                                 | -                                 | -                                 |
| Percentage to the total Loans and Advances in the nature of loans | -                                 | -                                 | -                                 |
| KMPs                                                              | -                                 | -                                 | -                                 |
| Percentage to the total Loans and Advances in the nature of loans | -                                 | -                                 | -                                 |
| Related parties                                                   | -                                 | -                                 | -                                 |
| Percentage to the total Loans and Advances in the nature of loans |                                   |                                   |                                   |

##### **Details of Benami Property held: -**

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

**Stock statement: -**

The Company has borrowings from banks or financial institutions on the basis of security of current assets for financial year 2024-25 Financial year 2023-24 and Financial year 2022-23. However, sanctioned amount does not exceed Rs. 5 crores. Accordingly, the requirement to submit quarterly returns or statements of current assets with such lenders is not applicable, and no such statements have been submitted.

**Willful Defaulter: -**

The company has not been declared as a willful Defaulter by any Financial Institution or bank as at the date of Balance Sheet.

**Relationship with Struck off Companies: -**

The Company does not have any transactions with companies struck off during the reporting period.

**Registration of charges or satisfaction with Registrar of Companies (ROC): -**

The company has no pending charges or charges pending satisfaction which are yet to be registered with the ROC beyond the Statutory period.

**Compliance with number of layers of companies: -**

The company has complied with the provision of the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

**Compliance with approved Scheme(s) of Arrangements: -**

There are no Schemes of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

**Discrepancy in utilization of borrowing: -**

The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date. There are no discrepancy in utilisation of borrowings.

**Material Regroupings:**

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities Profits and Losses and Cash flows wherever required by reclassification of the corresponding items of income expenses assets and liabilities in order to bring them in line with the requirements of the Schedule III of Companies Act, 2013.

**Indirect Loan/Advance/Investment: -**

The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or
- b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;
- b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**Foreign Currency Fluctuation Risk: -**

The Company does not use derivative financial instruments such as forward exchange contracts or options to hedge its risks associated with foreign currency fluctuations or for trading/speculation purpose.

**Undisclosed income: -**

The Company has no transaction that 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 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**Details of Crypto Currency or Virtual Currency: -**

The company has not traded or invested in Crypto currency or Virtual Currency.

### **OTHER FINANCIAL INFORMATION**

The audited financial statements of our Company for the financial year ended March 31, 2025, March 31, 2024 and March 31, 2023 and their respective Audit reports thereon (Audited Financial Statements) are available at [www.mehulcolours.com](http://www.mehulcolours.com)

Our Company is providing a link to this website solely to comply with the requirements specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018. The Audited Financial Statements do not constitute, (i) a part of the Red Herring Prospectus; (ii) Red Herring Prospectus or (ii) Prospectus, a statement in lieu of a prospectus, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. Neither our Company, nor BRLM, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI (ICDR) Regulations are given below:

| (Rs. In Lakhs)                                                        |                      |                       |                       |
|-----------------------------------------------------------------------|----------------------|-----------------------|-----------------------|
| <b>Particulars</b>                                                    | <b>March 31,2025</b> | <b>March 31, 2024</b> | <b>March 31, 2023</b> |
| Profit After Tax (Rs. In Lakhs)                                       | 550.30               | 321.82                | 293.96                |
| Basic & Diluted Earnings per Share                                    | 7.30                 | 4.27                  | 3.90                  |
| Return on Net Worth (%)                                               | 32.26%               | 27.85%                | 35.17%                |
| NAV per Equity Shares (Based on Weighted Average Number of Shares)    | 22.62                | 15.33                 | 11.08                 |
| Earnings before interest, tax, depreciation and amortization (EBITDA) | 688.47               | 397.03                | 417.59                |

**STATEMENT OF FINANCIAL INDEBTEDNESS**

To,

**The Board of Directors**  
**Mehul Colours Limited**  
**(formerly known as Mehul Colours and Masterbatches Limited)**  
Unit No. A 305, 306, Kemp Plaza,  
Link Road, Chincholi Bunder Road,  
Mind Space, Near Evershine Mall,  
Malad West, Mumbai – 400064.

And

**Seren Capital Private Limited**  
601 to 605, Raylon Arcade,  
Kondivita, J.B. Nagar, Mumbai-400059

(Seren Capital Private Limited referred to as the “Book Running Lead Manager” or the “BRLM”)

**Re: Proposed initial public offering of equity shares of face value of Rs. 10 each (“Equity Shares” and such initial public offer, an “IPO” or “Issue”) of Mehul Colours Limited (formerly known as Mehul Colours and Masterbatches Limited) (the “Company”).**

Dear Sir,

We, **M/s Y M S & Co LLP**, Chartered Accountants and the Statutory Auditor have received a request from the Company to issue a certificate on the Financial Indebtedness of the Company based on restated financial information prepared by the management of the Company.

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of **Mehul Colours Limited (formerly known as Mehul Colours and Masterbatches Limited)** and further explanations and information provided by the management of the Company, which we believe to be true and correct to the best of our information and belief, the sanction amount of financial indebtedness, principal terms of security for loan and other related details as on 30th June, 2025 are mentioned below.

**Annexure**

**Statement of Financial Indebtedness as on June 30, 2025**

**A. Secured Loans: -**

**(Rs In Lakhs)**

| Name of Lender     | Purpose         | Loan/ Agreement A/c No./ Ref. No. | Sanctioned Amount (In Lakhs) | Rate of interest | Primary & Collateral Security | Re- Payment Schedule | Moratorium     | Outstanding amount as on 30.06.2025 as per Books |
|--------------------|-----------------|-----------------------------------|------------------------------|------------------|-------------------------------|----------------------|----------------|--------------------------------------------------|
| ICICI Bank Limited | Working Capital | CAL443859651032                   | 320.00                       | 9.60%            | Refer Note 1                  | Not applicable       | Not applicable | -                                                |

\*Existing limit as on June 30, 2025 is 320.00 Lakhs sanction letter 28.08.2024.

**Note 1: -****Primary & Collateral Security: -****Mortgage following assets against OD Facility by ICICI Bank**

**Collateral Security:** Usha Pravin Joshi - Unit No. 305, 3rd Floor, Vinay Industrial Estate New Link Road, Mindspace Malad West Mumbai Maharashtra 400064

Usha Pravin Joshi-Unit No.204, 2nd Floor Vinay Industrial Estate New Link Road, Mindspace Malad West Mumbai Maharashtra - 400064

**Guarantor: - Mehul Pravinchandra Joshi, Pravinchandra Girdharlal Joshi, Bhakti Mehul Joshi, Usha Joshi**

**Principal terms of Working Capital facilities availed from ICICI Bank Limited:**

|                                                                  |                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CHG 1 (Applicable in case of companies)                          | CHG-1 filling to be done within 30 days of security creation. All charges relating to CHG I filing by ICICI Bank empanelled CA, shall be borne by the client, wherever applicable.                                                                                                                                                                                                    |
| Notice of Intimation (wherever applicable)                       | Notice of Intimation (NOI) for equitable mortgage of the property taken as collateral security shall be filed before respective Sub Registrar Office (SRO), where the property is registered. Timeline of 7 days to be taken from RH-BBG, where limit set up shall be done with lien marking on enhanced amount. (Wherever applicable).                                               |
| Stock Audit (applicable, if exposure is Rs. 50 Mn and above)     | ICICI Bank, in consultation with the Borrower, will arrange for stock and receivables audit, once in a year by an outside agency. The terms of reference will be finalized by ICICI Bank, at its sole discretion.                                                                                                                                                                     |
| Standing Instructions (Applicable for Term Loan / DLOD facility) | SI shall be set up in the operating account of the borrower. RM/RHS to ensure.                                                                                                                                                                                                                                                                                                        |
| Insurance                                                        | Comprehensive insurance to cover all risks, for the value of the security for the Facilities. ICICI Bank's/ security trustee's/ lead bank's (in case they are acting for all other lenders) lien should be noted on the policies, as first loss payee or endorsee.                                                                                                                    |
| Stock Statement (applicable for Cash Credit facility)            | The Borrower shall furnish, at the frequency and on or before the dates specified herein, details of stock, in a format, satisfactory to ICICI Bank, on Monthly basis, prior to 7th day of next month.                                                                                                                                                                                |
| Valuation                                                        | ICICI Bank shall be entitled to have all the assets offered as security, valued by one or more appraisers appointed by ICICI Bank, at the cost of the Borrower and the Borrower shall ensure that required assistance is provided to such appraiser. Valuation shall be done in every 2 years from the date of valuation report.                                                      |
| Processing Fees                                                  | As fees for credit appraisal, due diligence and sanctioning carried out by ICICI Bank, the Borrower shall pay a one-time processing fee equivalent to 0.25 % of the Facilities amount (exclusive of service tax and statutory levies, if any). Such fee shall be payable on upfront and is non-refundable and independent of disbursement/ availment/ cancellation of the Facilities. |
| Valuation Charges                                                | Valuation charges of Rs. 3000.00 per property (exclusive of tax), shall be paid by the borrower, at the time of disbursement of enhanced amount (Wherever applicable).                                                                                                                                                                                                                |
| Disbursement                                                     | Valuation report of the property offered as collateral to be obtained prior to disbursement, where overall collateral cover shall not be less than collateral cover, as stipulated in sanctioned CAM. In case of any shortfall, proportionate disbursement to be done.                                                                                                                |
| Special Conditions                                               | 1. Pricing approval to be taken as per pricing memo.<br>2) Revised valuation report to be obtained prior to limit set up and same to be vetted by CPG and collateral cover of 100% to be maintained, if less than 100% limit to be reduced proportionately.<br>3) MD MOE to be done prior to limit set up (On enhanced amount)                                                        |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>4) Extention of Equitable mortgage of property located at Unit No. 305, 3rd Floor, Vinay Industrial Estate, New Link Road, Mindspace, Malad West Mumbai – 400064 and Unit No. 204, 2nd Floor, Vinay Industrial Estate, New Link Road, Mindspace, Malad West, Mumbai – 400064 to be done prior to limit set up.</p> <p>5) NOI to be filed within 30 days of limit set up. (On enhanced amount).</p> <p>6. Revised Customer Request form to be taken prior to LSM and vetted by CPG.</p> <p>7. CC/OD Declaration to be taken mandatorily prior to sanction.</p> <p>8. TSR revalidation will be required if older than 3 years.</p> |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**Yours faithfully,**

**For Y M S & CO LLP**

Chartered Accountants

**Firm Registration No. 143858W/W100859**

**Sd/-**

**Yatin Shah**

**Partner**

**Membership No. 157281**

**UDIN: 25157281BMMBUI4751**

**Place: Mumbai**

**Date: 17/07/2025**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

*You should read the following discussion in conjunction with our restated financial statements attached in the chapter titled "Financial Information of the Company" beginning on page 137. You should also read the section titled "Risk Factors" on page 26 and the section titled "Forward Looking Statements" on page 19 of this Red Herring Prospectus, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us and, unless otherwise stated or the context requires otherwise, is based on our Restated financial Statements. Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditor dated July 16, 2025 which is included in this Red Herring Prospectus under "Financial Statements". The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year and all references to a particular financial year are to the twelve-month period ended March 31 of that year.*

### **BUSINESS OVERVIEW**

Incorporated in 1995, our company is primarily engaged in the manufacturing of masterbatches, which are used in the plastics industry to impart colour and enhance the functional properties of plastic products. Masterbatches are concentrated mixtures of pigments and additives that are uniformly dispersed in polymer carriers, facilitating the effective integration of colour and performance-enhancing properties into plastic products. During plastic processing, masterbatches enable the uniform dispersion of pigments within the plastic resin, ensuring consistent colour distribution throughout the final plastic product without uneven patches or variations. They are also used to enhance visual appearance and impart specific properties to plastic materials such as UV resistance, flame retardancy and anti-static behavior.

In Fiscal 2025, we supplied our masterbatches to over 500+ customers spanning a broad array of industries, including stationery, plastic household products, plastic toys, agricultural tools, pipes and fittings, packaging materials, wires & cables, electrical switches & accessories, sheets and various other plastic products.

In addition to manufacturing masterbatches, our Company is also engaged in the sale of pigments, which are blended by us to create customized pigment solutions tailored to specific industry and customer requirements. Pigments are solid colourants in fine particle form that provide colour to plastic products. For the F.Y. 2024-25, Masterbatches and Pigments contributed 84.17 % and 15.83 % respectively to our revenue from operations.

Our product line includes colour masterbatches, additive masterbatches, special effect masterbatches and filler masterbatches to meet specific functional and aesthetic needs in plastic manufacturing. Colour masterbatches ensure uniform and consistent colouration across plastic products. Additive masterbatches enhance the durability, functionality and processability of plastics by imparting essential properties such as UV protection, slip resistance, tackiness, flame retardancy, impact strength and improved extrusion capabilities. These include UV Stabilizers, Slip/Anti-block agents, PIB Masterbatch, Flame Retardants, Impact Modifiers and PPA Masterbatch. Special effect masterbatches, offering finishes like pearl, metallic, sparkle, glitter, fluorescent and wood effects, alter the visual and tactile characteristics of plastics. Filler masterbatches, primarily composed of calcium carbonate (CaCO<sub>3</sub>), talc, or other mineral fillers, are used to enhance rigidity and processing efficiency.

Our manufacturing operations are carried at two production facilities within the Tungareshwar Industrial Estate, Sativali, Vasai East, Palghar, Mumbai, Maharashtra. The first of these facilities, encompassing Units 29 to 32, is equipped with an annual installed capacity of 10,56,000 kg and has a built-up area of 3200 sq. ft. The second facility, comprising Units 12 to 15, features an annual installed capacity of 2,28,000 kg and also has a total built-up area of around 3200 square ft.

Additionally, we have a dedicated Research & Development (R&D) and testing center at our facility located at Units 12 to 15, Tungareshwar Industrial Estate, Palghar. This laboratory is equipped with necessary machines and instruments for quality control, testing and product development, ensuring compliance with industry standards and customer specifications. Our Research and Development (R&D) activities focus on refining our product formulations to align with specific customer requirements.

For the fiscal year ended 2025, our company generated 93.17% of its total revenue from 16 states and 2 Union Territories in India, with key markets in Maharashtra, Gujarat, Dadra & Nagar Haveli and Kerala and the remaining 6.83% of our revenue were from exports to countries such as Canada, Jordan, Qatar and Thailand. During Fiscal 2025, Fiscal 2024 & Fiscal 2023, our exports reached markets including Canada, Chad, Jordan, Peru, Qatar, Saudi Arabia and Thailand.



Our Company is led by our Promoters and Directors, Mehul Pravinchandra Joshi and Bhakti Mehul Joshi, each bringing experience in the Masterbatches and pigment industry. Their experience has played a key role in shaping the company's growth. We believe that their expertise, along with the support of our senior management team, continues to drive the company's business and market reach.

*(₹ In Lakhs except percentages and ratios)*

| <b>Key Financial Performance</b>       | <b>FY 2024-25</b> | <b>FY 2023-24</b> | <b>FY 2022-23</b> |
|----------------------------------------|-------------------|-------------------|-------------------|
| Revenue from operations <sup>(1)</sup> | 2,282.20          | 2,193.64          | 2,117.92          |
| EBITDA <sup>(2)</sup>                  | 688.47            | 397.03            | 417.59            |
| EBITDA Margin <sup>(3)</sup>           | 30.17%            | 18.10%            | 19.72%            |
| PAT <sup>(4)</sup>                     | 550.30            | 321.82            | 293.96            |
| PAT Margin <sup>(5)</sup>              | 24.11%            | 14.67%            | 13.88%            |
| Net Worth <sup>(6)</sup>               | 1,706.06          | 1,155.71          | 835.76            |
| RoE (%) <sup>(7)</sup>                 | 38.46%            | 32.32%            | 42.68%            |
| RoCE (%) <sup>(8)</sup>                | 43.53%            | 36.67%            | 49.41%            |

**Notes:**

<sup>(1)</sup> Revenue from operation means revenue from sale of products & services and other operating revenues

<sup>(2)</sup> EBITDA is calculated as Profit before tax + Depreciation + Interest Cost - Other Income

<sup>(3)</sup> EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> PAT is calculated as Profit before tax – Tax Expenses

<sup>(5)</sup> PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

<sup>(6)</sup> Net worth means Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).

<sup>(7)</sup> Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

<sup>(8)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as Shareholders Fund + Long term borrowing + Short term borrowing+ Deferred Tax Liability.

For details, please refer to the section “Basis for Issue Price – Key Performance Indicators” on page 94 of the RHP.

For details in respect of “Statement of Significant Accounting Policies”, please refer to “Annexure 4 - Summary Statement of Significant Accounting Policies & Notes to Restated Financial Information” beginning on page 167 of this Red Herring Prospectus.

Our business is subject to various risks and uncertainties, including those discussed in the section titled “Risk Factors” on page 26 beginning of this Red Herring Prospectus.

**Discussion on Result of Operations**

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements for and financial years ended on March 31, 2025, 2024 and 2023.

(Rs. in Lakhs)

| Particulars                                                          | For the year ended March 31, |                |                 |                |                 |                |
|----------------------------------------------------------------------|------------------------------|----------------|-----------------|----------------|-----------------|----------------|
|                                                                      | 2025                         | %              | 2024            | %              | 2023            | %              |
| <b><u>Revenue:</u></b>                                               |                              |                |                 |                |                 |                |
| Revenue From Operations                                              | 2,282.20                     | 96.24%         | 2,193.64        | 96.82%         | 2,117.92        | 99.13%         |
| Other Income                                                         | 89.09                        | 3.76%          | 72.03           | 3.18%          | 18.68           | 0.87%          |
| <b>Total Income</b>                                                  | <b>2,371.29</b>              | <b>100.00%</b> | <b>2,265.67</b> | <b>100.00%</b> | <b>2,136.60</b> | <b>100.00%</b> |
| <b><u>Expenses:</u></b>                                              |                              |                |                 |                |                 |                |
| Cost of Material Consumed                                            | 1,042.91                     | 43.98%         | 1,288.29        | 56.86%         | 1,140.97        | 53.40%         |
| Changes in Inventories of Finished Goods                             | -19.09                       | -0.81%         | -46.72          | -2.06%         | -2.45           | -0.11%         |
| Employee Benefit expenses                                            | 245.93                       | 10.37%         | 235.41          | 10.39%         | 224.90          | 10.53%         |
| Finance Costs                                                        | 2.89                         | 0.12%          | 2.74            | 0.12%          | 3.90            | 0.18%          |
| Depreciation and Amortization expenses                               | 34.92                        | 1.47%          | 32.00           | 1.41%          | 23.29           | 1.09%          |
| Others Expenses                                                      | 323.36                       | 13.64%         | 319.22          | 14.09%         | 335.99          | 15.73%         |
| <b>Total Expenses</b>                                                | <b>1,630.92</b>              | <b>68.78%</b>  | <b>1,830.94</b> | <b>80.81%</b>  | <b>1,726.60</b> | <b>80.81%</b>  |
|                                                                      |                              |                |                 |                |                 |                |
| <b>Profit/(Loss) Before Exceptional ,Extraordinary Items and Tax</b> | <b>740.37</b>                | <b>31.22%</b>  | <b>434.73</b>   | <b>19.19%</b>  | <b>410.00</b>   | <b>19.19%</b>  |
| Less: Exceptional Items                                              | -                            | -              | -               | -              | -               | -              |
| <b>Profit/ /(Loss) Before Extraordinary Items and Tax (A-B)</b>      | <b>740.37</b>                | <b>31.22%</b>  | <b>434.73</b>   | <b>19.19%</b>  | <b>410.00</b>   | <b>19.19%</b>  |
| Prior Period Items                                                   | -                            |                | -               |                | -               |                |
| Extra ordinary items                                                 | -                            |                | -               |                | -               |                |
| <b>Profit/(Loss) before tax</b>                                      | <b>740.37</b>                | <b>31.22%</b>  | <b>434.73</b>   | <b>19.19%</b>  | <b>410.00</b>   | <b>19.19%</b>  |
| <b>Tax expense :</b>                                                 |                              |                |                 |                |                 |                |
| Current tax                                                          | 192.45                       | 8.12%          | 113.13          | 4.99%          | 117.35          | 5.49%          |
| Deferred Tax Expense/(Income)                                        | -2.38                        | -0.10%         | -0.23           | -0.01%         | -1.32           | -0.06%         |
| <b>Profit/(Loss) for the Period After Tax- PAT</b>                   | <b>550.30</b>                | <b>23.21%</b>  | <b>321.82</b>   | <b>14.20%</b>  | <b>293.96</b>   | <b>13.76%</b>  |

**Revenue from operations:**

Revenue from operations mainly consists of revenue from sale of Masterbatches, including Black, White, Colour and Additive Masterbatches and Pigments In addition, the company generates revenue from Custom duty refund, Interest, Dividend and Gain on Investment, Rental Income and Interest on Fixed Deposit.

The following table sets forth the bifurcation of revenue (product-wise) for the fiscal years 2025, 2024 and 2023.

(Rs. in lakhs)

| Particulars                          | FY 2024-25      | % of Revenue | FY 2023-24      | % of Revenue | FY 2022-23      | % of Revenue |
|--------------------------------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|
| <b>Masterbatches</b>                 | 1,920.83        | 84.17%       | 1,805.04        | 82.29%       | 1,678.00        | 79.23%       |
| <b>Pigments</b>                      | 361.37          | 15.83%       | 388.6           | 17.71%       | 439.92          | 20.77%       |
| <b>Total Revenue from Operations</b> | <b>2,282.20</b> | <b>100%</b>  | <b>2,193.64</b> | <b>100%</b>  | <b>2,117.92</b> | <b>100%</b>  |

**Other Income:**

Other income primarily comprises of Interest Income on Fixed Deposits, Rental Income, Profit on sale of fixed assets, Balances Written back, Custom Duty Refund, Foreign exchange gain, Interest, Dividend and Gain on Investment & Miscellaneous Income.

**Total Expenses**

Total expenses consist of operating cost like cost of material consumed, Change in inventories of Work in progress, Employee benefit expenses, Finance costs, Depreciation and Amortization Expenses and other expenses.

**Cost of material consumed:**

Cost of Material consumed expenses primarily comprise of purchase of raw material as adjusted with opening and closing stock.

**Change in inventories of finished goods :**

Changes in inventories of finished goods between opening and closing dates of a reporting period.

**Employee benefits expense:**

Employee benefits expense primarily comprises of Salaries & wages, Incentives and Bonus expenses, Director's remuneration, Staff welfare expenses, Employers contribution to PF and other funds and Keyman Insurance.

**Finance Costs:**

Our finance cost includes Interest on Bank overdraft and Processing and other Charges.

**Depreciation and Amortization Expenses:**

Depreciation includes depreciation on Building, plant & machinery, office equipment, furniture, computer and equipment.

**Other Expenses:**

Other Expenses include Power and fuel charges, Factory rent, Lab Testing charges, Freight outward, factory building maintenance, hamali charges and repairs and maintenance expenses. In addition, it covers Selling and Distribution Expenses, including, sales promotion, exhibition expenses, Administrative Expenses cover auditor remuneration, courier charges, insurance, legal & professional charges, printing and stationery, rates and taxes, travelling expenses, office expenses, motor car expenses, membership fees, bank charges, commission, Donations, bad debts and various miscellaneous expenses. It also includes foreign exchange losses reflecting the company's operational and administrative costs.

**FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE FINANCIAL YEAR 2024-25:****Total Income:**

Total income for the year ended March 31, 2025 stood at Rs. 2371.29 Lakhs. The total income consists of revenue from operations and other income.

**Revenue from Operations:**

During the year ended March 31, 2025 the net revenue from operation of our Company was Rs.2282.20 Lakhs mainly from the sale of Masterbatches and Pigments.

**Other Income:**

During the year ended March 31, 2025 the other income of our Company stood at Rs. 89.09 Lakhs. Other income primarily comprises Interest on Bank Fixed Deposits, Foreign Exchange gain, Rental Income, Custom Duty Refund, Interest, Dividend and Gain on Investment, Excess Provision for Doubtful Debt Reversed & profit on sale of fixed assets.

**Total Expenses:**

Total expenses consist of operating cost like cost of material consumed, Changes in Inventories of finished Goods, Employee benefits expense, Finance costs, Depreciation and Amortization Expenses and other expenses. During the year ended March 31, 2025 the total expenses of our Company stood at Rs 1,630.92 Lakhs.

**Cost Of Material Consumed:**

During the year ended March 31, 2025 the Cost of Material Consumed of our Company stood at Rs. 1,042.91 Lakhs.

**Change in inventories of Finished goods:**

During the year ended March 31, 2025 the Change in inventories of Finished goods of our Company stood at Rs. (19.09) Lakhs.

**Employee benefits expense:**

During the year ended March 31, 2025 the employee benefit expenses of our Company stood at Rs. 245.93 Lakhs. The main components of the employee benefit expenses are Salaries & wages and Directors Remuneration.

**Finance Costs:**

During the year ended March 31, 2025 the finance cost expenses of our Company stood at Rs.2.89 Lakhs. Our finance cost includes Interest on Bank OD and Loan Processing charges and other charges.

**Depreciation and Amortization Expenses:**

During the year ended March 31, 2025 the Depreciation and amortization charges of our Company stood at Rs. 34.92 Lakhs.

**Other Expenses:**

Other expenses for the year ended March 31, 2025, were Rs. 323.36 Lakhs, including manufacturing expenses, administrative costs, repairs and maintenance, selling and distribution expenses and other operational outflows.

**Restated Profit before tax:**

The Company reported Restated profit before tax for year ended March 31, 2025 of Rs. 740.37 Lakhs.

**Restated profit after tax:**

The Company reported Restated profit after tax for year ended March 31, 2025 of Rs. 550.30 Lakhs.

**FINANCIAL YEAR 2025 COMPARED TO FINANCIAL YEAR 2024****Total Income:**

The total income for FY 2025 stood at Rs. 2,371.29 Lakhs, compared to Rs. 2,265.67 Lakhs in FY 2024, reflecting a growth of 4.66%. This increase was primarily driven by revenue from operations and other income

**Revenue from Operations:**

In FY 2025, the revenue from operations was Rs. 2,282.20 Lakhs, showing a significant increase from Rs. 2,193.64 Lakhs in FY 2024, reflecting an increase of 4.04%. This growth was primarily attributed to increased sales of Masterbatches, which contributed Rs. 1920.83 Lakhs (84.17% of revenue from operations) in FY 2025, compared to Rs. 1805.04 Lakhs (82.29% of revenue from operations) in FY 2024. Additionally, Pigments contributed to Rs.361.37 (15.83% of revenue from operations) in FY 2025, compared to Rs.388.60 (17.71% of revenue from operations) in FY 2024.

**Other Income:**

Other income for FY 2025 stood at Rs. 89.09 Lakhs, compared to Rs. 72.03 Lakhs in FY 2024, marking an increase of 23.68%. The increase was primarily due to Foreign Exchange Gain (Rs. 6.30 Lakhs in FY 2025 vs. Rs. 2.84 in FY 2024) and increase in income on interest, dividend and gain on investment (Rs. 57.68 Lakhs in FY 2025 vs Rs. 45.80 Lakhs in FY 2024).

**Total Expenses:**

Total expenses for FY 2025 were Rs. 1,630.92 Lakhs, compared to Rs. 1,830.94 Lakhs in FY 2024, reflecting a decline of 10.92 %. This decrease was due to decrease in cost of material consumed for the Company resulting into decline material costs. At the same time there was an increase in the employee benefits and other operational expenses.

**Cost of Material Consumed:**

The cost of material consumed decreased to Rs. 1,042.91 Lakhs in FY 2025 from Rs. 1,288.29 Lakhs in FY 2024, representing a decline of 19.05%. Such decrease was due to reduction in material cost.

**Change in inventories:**

Our Company has incurred Rs. (19.09) Lakhs as Change in inventories of finished goods during the financial year 2024-25 as compared to Rs. (46.72) Lakhs in the financial year 2023-24.

**Employee benefits expense:**

Our Company has incurred Rs. 245.93 Lakhs as Employee benefits expense during the financial year 2024-25 as compared to Rs. 235.41 Lakhs in the financial year 2023-24. The increase was due to increase in Salary and wages (Rs.91.61 Lakhs in FY 2025 as compare to Rs.75.05 Lakhs in FY 2024).

**Finance Cost:**

Our Company has incurred Rs. 2.89 Lakhs as finance cost during the financial year 2024-25 as compared to Rs. 2.74 Lakhs in the financial year 2023-24. The increase was due to the increase in Processing and Other Charges from Rs.0.62 Lakhs to Rs.0.40 Lakhs during the FY 2024-25.

**Depreciation and Amortization Expenses:**

Depreciation for the financial year 2024-25 stood at Rs. 34.92 Lakhs as against Rs. 32.00 Lakhs during the financial year 2023-24. The increase in depreciation was around 9.12 % which was due to purchase of Plant & machinery and computer.

**Other Expenses:**

Our Company incurred Rs.319.22 Lakhs in other expenses during FY 2024-25, compared to Rs.319.22 Lakhs in FY 2023-24, an increase of 1.30 %. This increase was driven by rise in costs of Auditor Remuneration, Legal & Professional charges, membership fees, office expenses, rates and taxes expense, and other operational areas. However, there was a decline in Commission Expense, Factory Building Maintenance and provision for doubtful debts.

**Restated profit before tax:**

Net profit before tax for the financial year 2024-25 increased to Rs. 740.37 Lakhs as compared to Rs. 434.73 Lakhs in the financial year 2023-24, marking an increase of 70.32%. This significant growth was primarily driven by the factors mentioned above. The revenue from operations of the company increased by approximately 4.04%, mainly due to sales of Masterbatches, increase in other income by 23.68% and decline in cost of goods sold by 11.74%. from FY 2024-25 to FY 2023-24

**Restated profit for the year:**

As a result of the foregoing factors, our profit after tax increased by 71.00 %, rising from Rs. 321.82 Lakhs in the financial year 2023-24 to Rs. 550.30 Lakhs in the financial year 2024-25.

**FINANCIAL YEAR 2024 COMPARED TO FINANCIAL YEAR 2023****Total Income:**

The total income for FY 2024 stood at Rs. 2,265.67 Lakhs, compared to Rs. 2,136.60 Lakhs in FY 2023, reflecting a growth of 6.04%. This increase was primarily driven by revenue from operations and other income

**Revenue from Operations:**

In FY 2024, the revenue from operations was Rs. 2,193.64 Lakhs, showing a significant increase from Rs. 2,117.92 Lakhs in FY 2023, reflecting an increase of 3.57%. This growth was primarily attributed to increased sales of Masterbatches, which contributed Rs. 1805.04 Lakhs (82.29% of revenue from operations) in FY 2024, compared to Rs. 1678.00 Lakhs (79.23% of revenue from operations) in FY 2023. Additionally, Pigments contributed to Rs.388.60 (17.71% of revenue from operations) in FY 2024, compared to Rs.439.92 (20.77% of revenue from operations) in FY 2023.

**Other Income:**

Other income for FY 2024 stood at Rs. 72.03 Lakhs, compared to Rs. 18.68 Lakhs in FY 2023, marking an increase of 285.70%. The increase was primarily due to sale of fixed assets (Rs. 12.52 Lakhs in FY 2024 vs. Rs. Nil in FY 2023) and increase in income on interest, dividend and gain on investment (Rs. 46.16 Lakhs in FY 2024 vs Rs. 12.33 Lakhs in FY 2023).

**Total Expenses:**

Total expenses for FY 2024 were Rs. 1,830.94 Lakhs, compared to Rs. 1,726.60 Lakhs in FY 2023, reflecting a rise of 6.04 %. This increase was due to increase in business operations of the Company resulting into higher material costs, employee benefits and other operational expenses.

**Cost Of Material Consumed:**

The cost of material consumed increased to Rs.1,288.29 Lakhs in FY 2024 from Rs. 1140.97 Lakhs in FY 2023, representing an increase of 12.91%. Such increase was due to higher material cost on account of increase in business operations of the Company.

**Change in inventories :**

Our Company has incurred Rs. (46.72) Lakhs as Change in inventories of finished goods during the financial year 2023-24 as compared to Rs. (2.45) Lakhs in the financial year 2022-23

**Employee benefits expense:**

Our Company has incurred Rs. 235.41 Lakhs as Employee benefits expense during the financial year 2023-24 as compared to Rs. 224.90 Lakhs in the financial year 2022-23. The increase was due to increase in Employees Salary and wages (Rs.75.05 Lakhs in FY 2024 as compare to Rs.62.57 Lakhs in FY 2023) .

**Finance Cost:**

Our Company has incurred Rs. 2.74 Lakhs as finance cost during the financial year 2023-24 as compared to Rs. 3.90 Lakhs in the financial year 2022-23. The decline was due to the decrease in Interest on overdraft from Rs.2.97 Lakhs to Rs.2.34 Lakhs during the FY 2023-24.

**Depreciation and Amortization Expenses:**

Depreciation for the financial year 2023-24 stood at Rs. 32.00 Lakhs as against Rs. 23.29 Lakhs during the financial year 2022-23. The increase in depreciation was around 37.39 % which was due to purchase of Plant & machinery, furniture & fixture, computer and other office equipment.

**Other Expenses:**

Our Company incurred Rs.319.22 Lakhs in other expenses during FY 2023-24, compared to Rs. 335.99 Lakhs in FY 2022-23, a decrease of 4.99%. This decline was driven by reduction in costs of Factory rent, Power & fuel, Provision for doubtful debts, Repairs & Maintenance, Sales Promotion expense, among other operational areas. However, there was an increase in Commission Expense, Factory Building Maintenance and Freight outward.

**Restated profit before tax:**

Net profit before tax for the financial year 2023-24 increased to Rs. 434.73 Lakhs as compared to Rs. 410.00 Lakhs in the financial year 2022-23, marking an increase of 6.03%. This significant growth was primarily driven by the factors mentioned above. The revenue from operations of the company increased by approximately 3.57%, mainly due to sales of Masterbatches and increase in other income by 285.70% and decrease in provision for doubtful debts covered under other expense.

**Restated profit for the year:**

As a result of the foregoing factors, our profit after tax increased by 9.48%, rising from Rs. 293.96 Lakhs in the financial year 2022-23 to Rs. 321.82 Lakhs in the financial year 2023-24.

**Information required as per Item (II)(C)(iv) of Part A of Schedule VI to the SEBI Regulations:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

**1. *Unusual or infrequent events or transactions:***

There has not been any unusual events or transactions on account of our business activity.

**2. *Significant economic changes that materially affected or are likely to affect income from continuing operations:***

Other than as described in the section titled “**Risk Factors**” beginning on page 26 of this Red Herring Prospectus, to our knowledge there are no known significant economic changes that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**3. *Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations:***

Apart from the risks as disclosed under Section **“Risk Factors”** beginning on page 26 of the Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**4. Future changes in the relationship between costs and revenues:**

Other than as described in the sections **“Risk Factors”**, **“Our Business”** and **“Management’s Discussion and Analysis of Financial Condition and Results of Operations”** on pages 26, 111 and 211 respectively, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

**5. Segment Reporting:**

Our company operates in a single segment i.e. Masterbatches and Pigments.

**6. Status of any publicly announced New Products or Business Segment:**

Our Company has not announced any new product or service during the last three financial years.

**7. Seasonality of business:**

Our business is not subject to seasonality. For further information, see “Industry Overview” and “Our Business” on pages 102 and 111 respectively.

**8. Dependence on single or few customers:**

Substantial portion of our revenue has been dependent upon few customers with which we do not have any firm commitments. For details, please refer to risk factor **“Substantial portion of our revenue has been dependent upon few customers with which we do not have any firm commitments. The loss of any one or more of our major customers would have a material adverse effect on our business, cash flows, results of operations and financial conditions”** on page 27 of this RHP.

**9. Competitive conditions:**

Competitive conditions are as described under the Chapter **“Our Business – Competition”** beginning on page 119 of this Red Herring Prospectus.

**10. Details of material developments after the date of last balance sheet i.e., March 31, 2025:**

After the date of last Balance sheet i.e., March 31, 2025, the following material events have occurred after the last audited period:

On July 02, 2025, Mr. Mehul Pravinchandra Joshi, Promoter and chairman and Managing Director had sold 2,37,000 equity shares at Rs. 48/- per equity share, through off market transfer to Amrut Bharat Opportunities Fund - Series I , Sunrise India Growth Trust - Sunrise India Growth Fund and Ms. Priya Vijay Thakkar (classified in the public category)

### CAPITALISATION STATEMENT

(₹ In Lakhs)

| Particulars                                 | Pre Issue<br>31-03-2025 | Post Issue |
|---------------------------------------------|-------------------------|------------|
| <b>Borrowings</b>                           |                         |            |
| Short term debt (A)                         | -                       | -          |
|                                             |                         |            |
| Long Term Debt (B)                          | -                       | -          |
| <b>Total debts (C)</b>                      | -                       | -          |
|                                             |                         |            |
| <b>Shareholders' funds</b>                  |                         |            |
|                                             |                         |            |
| Equity share capital                        | 754.10                  | *          |
| Reserve and surplus - as restated           | 951.96                  | *          |
|                                             |                         |            |
| <b>Total shareholders' funds</b>            | <b>1706.06</b>          | *          |
|                                             |                         |            |
| <b>Long term debt / shareholders' funds</b> | -                       | *          |
| <b>Total debt / shareholders' funds</b>     | -                       | *          |

\* The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

1. Short term Debts represent which are expected to be paid/payable within 12 months and Excludes instalments of term loans repayable in within 12 months.
2. Long term Debts represent debts other than short term Debts as defined above.



## **SECTION VII – LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

*Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoter in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, its Directors and Promoters.*

*Our Board, in its meeting held on March 14, 2025, determined that outstanding legal proceedings involving the Company, its Directors and Promoters will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation exceeds 1% of profit after tax of the Company, as per the last restated financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputation of the Company. Further, as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2025, other pending litigations shall also be classified as material based on the lower of the threshold criteria mentioned below -*

- (i) As per the policy of materiality defined by the board of directors of the issuer and disclosed in the offer document; or*
- (ii) Litigation where the value or expected impact in terms of value, exceeds the lower of the following:*
  - (a) two percent of turnover, as per the latest annual restated financial statements of the issuer; or*
  - (b) two percent of net worth, as per the latest annual restated financial statements of the issuer, except in case the arithmetic value of the net worth is negative; or*
  - (c) five percent of the average of absolute value of profit or loss after tax, as per the last three annual restated consolidated financial statements of the issuer.”*

*Accordingly, other pending litigations involving the Company, Directors and Promoters has been disclosed in this chapter.*

*The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 5.00% of the Company's trade payables as per the last restated consolidated financial statements.*

#### **A. LITIGATION INVOLVING THE COMPANY**

##### **(a) Criminal proceedings against the Company**

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Company.

##### **(b) Criminal proceedings filed by the Company**

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Company.

##### **(c) Actions by statutory and regulatory authorities against the Company**

As on the date of this Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Company.

##### **(d) Tax Proceedings:**

###### **(i) Direct Tax: -**

###### **TDS Demand**

The TRACES portal indicates TDS defaults linked to Mehul Colours Limited (formerly known as Mehul Colours and Masterbatches Limited). (PAN - AABCM8404E), amounting to a total outstanding liability of approximately ₹ 2.86 Lakhs. The default includes a short payment of ₹0.70 Lakhs, short deduction of ₹0.27 Lakhs, interest on payment default under Section 201 of ₹1.49 Lakhs interest on deduction default u/s 201 of ₹0.05 Lakhs, a late filing fee under Section 234E of ₹0.34 and interest u/s 220(2) of ₹0.01 Lakhs, bringing the total for that year to ₹ 2.86 Lakhs.

**(ii) Indirect Tax: -**

A GST DRC-07 order has been issued under Section 74 of the GST Act, for the Financial Year 2018-19. The order No. 3CEEV0104S032400040 dated March 27, 2024 raises a demand against our Company on the grounds that Input Tax Credit (ITC) was availed on invoices issued by suppliers viz., Mis. MMA Machines (India) LLP who failed to file their GSTR-3B returns. The tax demand is levied on HSN (Harmonized System of Nomenclature) Code 32064990 (Other Colouring Matter and Preparations). The total demand amounts to ₹8.26 Lakhs, comprising ₹4.13 Lakhs in tax and an equal penalty of ₹4.13 Lakhs, with no additional interest, fee, or other charges.

Our Company has filed an appeal on April 24, 2024 against the order explaining that we had purchased the goods from Mis. MMA Machines (India) LLP and they have GSTIN (08ABAFM9050D2ZF) and the supplier has informed us that they have discontinued the firm during the year 2018-19 and have stopped making the GST payment and have filed the GSTR-1 till the month of November 2018 so that the recipient can get the ITC based on GSTR2A and GSTR-3B till the month of May 2018 and now they have continued the business with this (08AFSPA8424K1Z2). As such the claim that we had purchased the goods from the entity which did not file GSTR returns is not correct.

The final order in the matter is yet to be received.

**(e) Other pending material litigations against the Company**

As on the date of this Red Herring Prospectus, there are no other pending material litigations against the Company.

**(f) Other pending material litigations filed by the Company**

As on the date of this Red Herring Prospectus, there are no other pending material litigations filed by the Company.

**B. LITIGATIONS INVOLVING THE PROMOTERS & DIRECTORS OF THE COMPANY**

**(a) Criminal proceedings against the Promoters & Directors of the company**

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Promoters and Directors of the Company.

**(b) Criminal proceedings filed by the Promoters & Directors of the company**

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings filed by the Promoters and Directors of the Company.

**(c) Actions by statutory and regulatory authorities against the Promoters & Directors of the company**

As on the date of this Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Promoters and Directors.

**(d) Tax Proceedings:**

**(i) Direct tax –**

NIL

**(ii) Indirect Tax**

NIL

**(e) Other pending material litigations against the Promoters & Directors of the company**

As on the date of this RHP, there are no outstanding litigations initiated against the Promoters & Directors, which have been considered material by the Company in accordance with the Materiality Policy.

**(g) Other pending material litigations by the Promoters & Directors of the company**

### **Complaint filed by Mrs. Jyoti Abhay Jain ('Independent Director') of the Company**

A complaint has been filed on March 31, 2025 under Section 31 of the Real Estate (Regulation and Development) Act, 2016 by Mrs. Jyoti Abhay Jain (Independent Director of the Company) and Mr. Abhay Jain (together the 'Complainants') before the Maharashtra Real Estate Regulatory Authority (MahaRERA) against Ruparel Infra & Realty Private Limited and M/s Skoda Construction – Ganesh Nagar (together the 'Respondents'), alleging delay in possession of a flat in the "Ruparel Optima" project, Kandivali West, Mumbai. As per the Complaint copy an agreement for sale was executed on April 11, 2018 for a total consideration of Rs. 57,00,000, with possession committed by December 31, 2021. The Complainants have alleged that despite payment of over 75% of the consideration, the flat has not been handed over, and the Respondents have unilaterally extended the completion date to December 31, 2025 without consent. The Complainants have claimed that the Respondents failed to provide a fully furnished flat as promised and have defaulted on pre-EMI payments to a tune of Rs. 9,91,444 under a subvention scheme and that they have also incurred Rs. 6,77,465 towards rent for alternate accommodation due to such delay. The Complainants have sought relief for possession of the flat, interest for delayed possession under Section 18 of RERA, reimbursement of pre-EMI and rental expenses, and delivery of promised amenities. The matter is currently pending adjudication before MahaRERA.

### **C. Actions by Statutory and Regulatory authorities against the Key Managerial Personnel("KMP") (other than Directors as covered above) and Senior Management Personnel("SMP")**

As on the date of this Red Herring Prospectus, there are no outstanding actions by statutory and regulatory authorities initiated against the Key Managerial Personnel and Senior Management Personnel.

### **D. Criminal Proceedings Involving Key Managerial Personnel("KMP") And Senior Management Personnel("SMP")**

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings involving KMP or SMP of the Company.

### **E. LITIGATIONS INVOLVING THE GROUP COMPANIES WHICH CAN HAVE A MATERIAL IMPACT ON THE COMPANY**

Our Company does not have any Group Company.

### **OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS**

The Board of Directors of our Company considers dues exceeding 5% of our Company's total Trade payables as per Restated financial statements, to small scale undertakings and other creditors as material dues for our Company. Our Board of Directors considers dues owed by our Company to the creditors exceeding 5% of the Company's trade payables as per the last restated financial statements as material dues for the Company.

The trade payables for the fiscal 2025 were 30.71 lakhs. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds 1.54 lakhs. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on March 14, 2025. As on March 31, 2025 there are 7 creditors to each of whom our Company owes amounts exceeding 5% of our Company's Trade Payables and the aggregate outstanding dues to them being approximately 25.65 lakhs. The details pertaining to amounts due towards material creditors are available on the website of our Company. Further, our Company has 12 creditors which are registered under the Micro, Small and Medium Enterprises Development Act, 2006 and the aggregate outstanding dues to them being approximately 15.73 lakhs (which includes material creditors).

As on March, 2025, our Company owes amounts aggregating to ₹ 30.71 lakhs approximately towards 17 trade creditors. There are no disputes with such entities in relation to payments to be made to them.

## **GOVERNMENT AND OTHER STATUTORY APPROVALS**

*Our Company has received the necessary consents, licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the issue or continue our business activities and except as mentioned below, no further approvals are required for carrying on our present or proposed business activities.*

*In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Central and State Governments and other government agencies/ regulatory authorities/ certification bodies does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus.*

*The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.*

*The Company has got following licenses/registrations/approvals/consents/permissions from the Government and various other Government agencies required for its present business.*

### **Approvals In Relation to Our Company's incorporation**

1. Certificate of Incorporation dated December 12, 1995 from the Additional Registrar of Companies, Maharashtra, under the Companies Act, 1956 as "Mehul Colours & Masterbatches Private Limited".
2. Fresh Certificate of Incorporation dated December 16, 2024 from the Registrar of Companies, Central Processing Centre, consequent to conversion of the Company "Mehul Colours and Masterbatches Private Limited" to "Mehul Colours and Masterbatches Limited".
3. Fresh Certificate of Incorporation dated January 09, 2025 from the Registrar of Companies, Central Processing Centre, pursuant to change of name from "Mehul Colours and Masterbatches Limited" to "Mehul Colours Limited".

### **Approvals in relation to the Issue**

#### ***Corporate Approvals***

1. Our Board, pursuant to resolutions passed at its meeting held March 12, 2025 authorized the Issue, subject to the approval by the shareholders of our Company under section 62(1) (c) of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated March 13, 2025 Section 62(1) (c) of the Companies Act, 2013, authorized the Issue.
3. Our Board of Directors has, pursuant to a resolution dated March 28, 2025 and July 23, 2025 authorized our Company to take necessary action for filing the Draft Red Herring Prospectus and Red Herring Prospectus respectively with BSE SME.

#### ***Approvals from Stock Exchange***

1. Our Company has received in- principal listing approval from the BSE SME dated July 01, 2025 for listing of Equity Shares issued pursuant to the issue.

#### ***Other Approvals***

1. The Company has entered into a tripartite agreement dated March 04, 2025 with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case Bigshare Services Private Limited, for the dematerialization of its shares.

2. The Company has entered into an agreement dated January 30, 2025 the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.
3. The International Securities Identification Number (ISIN) of our Company is : -INE1KH601014

**APPROVALS / LICENSES / PERMISSIONS IN RELATION TO OUR BUSINESS:**

**Tax Related Approvals**

| S. No | Description                                        | Registration Number | Issuing Authority                 | Date of Issue                                                                           | Date of Expiry       |
|-------|----------------------------------------------------|---------------------|-----------------------------------|-----------------------------------------------------------------------------------------|----------------------|
| 1.    | Permanent Account Number (PAN)                     | AABCM8404E          | Income Tax Department             | December 12, 1995                                                                       | Valid till Cancelled |
| 2.    | Tax Deduction and Collection Account Number (TAN)  | MUMM22192C          | Income Tax Department             | February 22, 2025                                                                       | Valid till Cancelled |
| 3.    | GST Registration Certificate (Maharashtra)         | 27AABCM8404E1ZP     | Goods and Services Tax department | February 05, 2025 w.e.f. July 01, 2017                                                  | Valid till Cancelled |
| 4.    | GST Registration Certificate (Daman)               | 26AABCM8404E1ZR     | Goods and Services Tax department | February 17, 2025 w.e.f. September 01, 2023                                             | Valid till Cancelled |
| 5.    | Professions Tax Registration Certificate (P.T.R.C) | 27530012897P        | Maharashtra Sales Tax Department  | Certificate issue date February 12, 2025<br>Certificate with effect from April 01, 2021 | Valid till Cancelled |
| 6.    | Professions Tax Enrolment Certificate (P.T.E.C)    | 99435032678P        | Maharashtra Sales Tax Department  | Certificate issue date February 12, 2025<br>Certificate with effect from April 01, 2020 | Valid till Cancelled |

**Registrations related to Business:**

| S. No | Description                                  | Licence Number       | Issuing Authority                                                                            | Date of Issue / Date of Certificate                                  | Date of Expiry        |
|-------|----------------------------------------------|----------------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-----------------------|
| 1.    | Certificate of Importer- Exporter Code (IEC) | 0396000100           | Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India | Date of Issue: April 02, 1996<br>Date of Certificate: March 06, 2025 | Valid Until Cancelled |
| 2.    | Udhyam Registration                          | UDYAM-MH -17-0009822 | Ministry of Micro Small and                                                                  | December 02, 2020                                                    | Valid Until Cancelled |

|                                                                                                                                                             |                                                                                                                                                                                                                                                                                          |                                                                          |                                                                                                                                    |                                         |                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-----------------------|
|                                                                                                                                                             | Certificate                                                                                                                                                                                                                                                                              |                                                                          | Medium Enterprises, Government of India                                                                                            |                                         |                       |
| <b>Approvals for the Manufacturing Unit - Gala No 29, 30, 31, 32, Ambernath Building, Tungareshwar, Industrial, Estate, Satvali, Vasai, Palghar- 401208</b> |                                                                                                                                                                                                                                                                                          |                                                                          |                                                                                                                                    |                                         |                       |
| 3.                                                                                                                                                          | Consent to Operate the Factory under Section 26 of the Water (Prevention and Control of Pollution) Act, 1974, Section 21 of the Air (Prevention and Control of Pollution) Act, 1981, under Rule 6(2) of the Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016 | GREEN/S.S. I ()<br>No: - Format 1.0/SRO/UAN No. 0000132874/CR/2203000532 | Maharashtra Pollution Control Board                                                                                                | March 09, 2022 w.e.f. February 24, 2022 | January 31, 2028      |
| 4.                                                                                                                                                          | Registration and Licence to work a Factory                                                                                                                                                                                                                                               | 32320222090M-04<br>License no. 19548                                     | Director, Industrial safety and health, State of Maharashtra                                                                       | February 05, 2025                       | December 31, 2029     |
| 5.                                                                                                                                                          | Certificate of Stability of Factory or Part of Factory                                                                                                                                                                                                                                   | 323200000038300                                                          | Satyam Engineers & Associates                                                                                                      | January 24, 2025                        | January 23, 2030      |
| 6.                                                                                                                                                          | NOC for Permission under Electricity Act/ Load Sanction<br><br>(Gala No 30 Ambernath Building, Tungareshwar, Industrial, Estate, Satvali, Vasai, Palghar- 401208)                                                                                                                        | Meter no: 055-XC463748                                                   | Usha Pravinchandra Joshi, one of the Director of Mehul Colours Limited (formerly known as Mehul Colours and Masterbatches Limited) | January 10, 2025                        | Valid Until Cancelled |
| 7.                                                                                                                                                          | NOC for Permission under Electricity Act/ Load Sanction<br><br>(Gala No 32 Ambernath Building, Tungareshwar, Industrial, Estate, Satvali, Vasai, Palghar- 401208)                                                                                                                        | Meter no: 065-O5794800                                                   | Pravinchandra G Joshi, one of the directors of Mehul Colours Limited (formerly known as Mehul Colours and Masterbatches Limited)   | January 10, 2025                        | Valid Until Cancelled |

|     |                                               |                                                                                                                     |                                                            |                   |                   |
|-----|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-------------------|-------------------|
| 8.  | NOC from Fire Department                      | Outward No. v.vi.sha.m./fire/mu. ka/3477//2025                                                                      | Chief Fire Officer, Vasai Virar City Municipal Corporation | March 19, 2025    | March 31, 2026    |
| 9.  | Calibration Certificate under Legal Metrology | Q1/VSI/CC/0213<br>Make: TITAN<br>Model: TT-30<br>Max: 10/ 20/ 30 Kg<br>Min: 40 gm<br>Acc: 1/2/5 gm<br>Class: III    | New India Scale Sale Service                               | February 20, 2025 | February 19, 2026 |
| 10. | Calibration Certificate under Legal Metrology | Q1/VSI/CC/0209<br>Make: RUDRA<br>Model: TT-30<br>Max: 10/ 20/ 30 Kg<br>Min: 40 gm<br>Acc: 1/2/5 gm<br>Class: III    | New India Scale Sale Service                               | February 20, 2025 | February 19, 2026 |
| 11. | Calibration Certificate under Legal Metrology | Q1/VSI/CC/0212<br>Make: R - TECH<br>Model: RT-30<br>Max: 10/20/30 Kg<br>Min: 40 gm<br>Acc: 1/ 2/ 5 gm<br>Class: III | New India Scale Sale Service                               | February 20, 2025 | February 19, 2026 |
| 12. | Calibration Certificate under Legal Metrology | Q1/VSI/CC/0210<br>Make: R - TECH<br>Model: RP-100<br>Max: 50/ 100 Kg<br>Min: 200 gm<br>Acc: 10 gm<br>Class: III     | New India Scale Sale Service                               | February 20, 2025 | February 19, 2026 |
| 13. | Calibration Certificate under Legal Metrology | Q1/VSI/CC/0208<br>Make: RUDRA<br>Model: TT-30<br>Max: 10/ 20/ 30 Kg<br>Min: 40 gm<br>Acc: 1/ 2/ 5 gm<br>Class: III  | New India Scale Sale Service                               | February 20, 2025 | February 19, 2026 |
| 14. | Calibration Certificate under Legal Metrology | Q1/VSI/CC/0206<br>Make: WEIGHTRON<br>Model: WIP-100<br>Max: 50/ 100 Kg<br>Min: 200 gm<br>Acc: 10 gm<br>Class: III   | New India Scale Sale Service                               | February 20, 2025 | February 19, 2026 |
| 15. | Calibration Certificate under Legal Metrology | Q1/VSI/CC/0215<br>Make: CAS                                                                                         | New India Scale Sale Service                               | February 20, 2025 | February 19, 2026 |

|                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                      |                                                                                                                      |                                                              |                   |                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|-------------------|-------------------|
|                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                      | Model: WIP-100<br>Max: 50/ 100 Kg<br>Min: 200 gm<br>Acc: 10 gm<br>Class: III                                         |                                                              |                   |                   |
| 16.                                                                                                                                                                       | Calibration Certificate under Legal Metrology                                                                                                                                                                                                                                                        | Q1/VSI/CC/0207<br><br>Make: WEIGHTRON<br>Model: WIP-100<br>Max: 50/100 Kg<br>Min: 200 gm<br>Acc: 10 gm<br>Class: III | New India Scale Sale Service                                 | February 20, 2025 | February 19, 2026 |
| 17.                                                                                                                                                                       | Calibration Certificate under Legal Metrology                                                                                                                                                                                                                                                        | Q1/VSI/CC/0215<br><br>Make: CAS<br>Model: WIP-100<br>Max: 500/ 100 Kg<br>Min: 200 gm<br>Acc: 10 gm<br>Class: III     | New India Scale Sale Service                                 | February 20, 2025 | February 19, 2026 |
| 18.                                                                                                                                                                       | Calibration Certificate under Legal Metrology                                                                                                                                                                                                                                                        | Q1/VSI/CC/0205<br><br>Make: KONEX<br>Model: KP-100<br>Max: 50/100 Kg<br>Min: 200 gm<br>Acc: 10 gm<br>Class: III      | New India Scale Sale Service                                 | February 20, 2025 | February 19, 2026 |
| <b>Approvals for the Manufacturing Unit 12-15 Ground Floor, Saraswati Premises, Tungareshwar Industrial Complex, Sativali, Vasai, East, Palghar, Maharashtra - 401208</b> |                                                                                                                                                                                                                                                                                                      |                                                                                                                      |                                                              |                   |                   |
| 19.                                                                                                                                                                       | Registration and Licence to work a Factory                                                                                                                                                                                                                                                           | 32320222090M-04<br><br>License No. 19547                                                                             | Director, Industrial safety and health, State of Maharashtra | February 05, 2025 | December 31, 2029 |
| 20.                                                                                                                                                                       | Consent to Operate under Section 26 of the Water (Prevention & Control of Pollution) Act, 1974 & under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorization under Rule 6 and Rule 18(7) of the Hazardous & Other Wastes (Management & Transboundary Movement) Rules | GREEN/S.S. I ()<br>No: - Format1.0/SRO/UAN<br>No.0000244195/CO/2506002352                                            | Maharashtra Pollution Control Board, Mumbai.                 | June 23, 2025     | December 31, 2027 |



|     |                                                         |                                                                                                                     |                                                                                                                                                  |                   |                       |
|-----|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------------|
|     | 2016                                                    |                                                                                                                     |                                                                                                                                                  |                   |                       |
| 21. | Certificate of Stability of Factory or Part of Factory  | 323200000038299                                                                                                     | Satyam Engineers & Associates, Arun Bhakri, Chartered Engineer                                                                                   | January 24, 2025  | January 23, 2030      |
| 22. | NOC for Permission under Electricity Act/ Load Sanction | Meter no: 055-X1158767                                                                                              | Mehul Pravinchandra Joshi and Bhakti Mehul Joshi, Promoters of Mehul Colours Limited (formerly known as Mehul Colours and Masterbatches Limited) | January 10, 2025  | Valid Until Cancelled |
| 23. | NOC from Fire Department                                | O.N.Vvisham/Fire/Muka/3342/2025                                                                                     | VVCMC Fire Brigade Department                                                                                                                    | February 24, 2025 | Valid Until Cancelled |
| 24. | Calibration Certificate under Legal Metrology           | Q1/VSI/CC/0211<br>Make – R - TECH<br>Model: RP-200<br>Max:100/ 200 Kg<br>Min: 400 gm<br>Acc: 10/20 gm<br>Class: III | New India Scale Sale Service                                                                                                                     | February 20, 2025 | February 19, 2026     |
| 25. | Calibration Certificate under Legal Metrology           | Q1/VSI/CC/0201<br>Make: CAS<br>Model: RP-100<br>Max: 50/ 100 Kg<br>Min: 200 gm<br>Acc: 5/ 10 gm<br>Class: III       | New India Scale Sale Service                                                                                                                     | February 20, 2025 | February 19, 2026     |
| 26. | Calibration Certificate under Legal Metrology           | Q1/VSI/CC/0203<br>Make: TITAN<br>Model: TT-30<br>Max: 10/ 20/ 30 Kg<br>Min: 40 gm<br>Acc: 1/ 2/ 5 gm<br>Class: III  | New India Scale Sale Service                                                                                                                     | February 20, 2025 | February 19, 2026     |
| 27. | Calibration Certificate under Legal Metrology           | Q1/VSI/CC/0204<br>Make: RUDRA<br>Model: TT-30<br>Max: 10/ 20/ 30 Kg<br>Min: 40 gm<br>Acc: 1/ 2/ 5 gm<br>Class: III  | New India Scale Sale Service                                                                                                                     | February 20, 2025 | February 19, 2026     |

|     |                                               |                                                                                                                      |                              |                   |                   |
|-----|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------|------------------------------|-------------------|-------------------|
| 28. | Calibration Certificate under Legal Metrology | Q1/VSI/CC/0202<br>Make: R - TECH<br>Model: RP - 100<br>Max: 50/ 100 Kg<br>Min: 200 gm<br>Acc: 5/ 10 gm<br>Class: III | New India Scale Sale Service | February 20, 2025 | February 19, 2026 |
|-----|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------|------------------------------|-------------------|-------------------|

***Approvals for the Manufacturing Unit - S. No. 38/2, Village, Majivali, Vasai, Palghar (For New Manufacturing Unit -Land for Proposed Expansion)***

|    |                                                                                                                                                                                                                                                                                                             |                                                                         |                                     |               |                      |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------|---------------|----------------------|
| 1. | Consent to Establish under Section 25 of the Water (Prevention & Control of Pollution) Act, 1974 & under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorization under Rule 6 and Rule 18(7) of the Hazardous & Other Wastes (Management & Transboundary Movement) Rules 2016 | GREEN/S.S.I ()<br>No:- Format1.0/SRO/UAN<br>No.0000249128/CE/2506001177 | Maharashtra Pollution Control Board | June 12, 2025 | Valid till cancelled |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------|---------------|----------------------|

**Approvals Related to Labour Law**

| Sr. No | Description                                                                   | Registration number                 | Authority                                                  | Date of Certificate | Date of Expiry        |
|--------|-------------------------------------------------------------------------------|-------------------------------------|------------------------------------------------------------|---------------------|-----------------------|
| 1.     | Registration for Employees' Provident Funds                                   | KDMAL1826430000                     | Employees' Provident Fund Organisation                     | January 09, 2019    | Valid until Cancelled |
| 2.     | Registration for Employees' State Insurance                                   | 35000392790000699                   | Sub-Regional Office, Employees State Insurance Corporation | March 26, 2017      | Valid until Cancelled |
| 3.     | Intimation for Shops & Establishments Registration Certificates (Maharashtra) | 890947241 / PN Ward / COMMERCIAL II | Maharashtra Shops & Establishment Department               | February, 17 2025   | Valid until Cancelled |

|    |                                                                      |                     |                                                            |                  |                      |
|----|----------------------------------------------------------------------|---------------------|------------------------------------------------------------|------------------|----------------------|
| 4. | Shops & Establishments<br>Registration Certificates<br>(Daman & Diu) | LE/LI/DMNS&E/I/2996 | Goa, Daman and Diu<br>Shops<br>Establishment<br>department | January 31, 2025 | December 31,<br>2025 |
|----|----------------------------------------------------------------------|---------------------|------------------------------------------------------------|------------------|----------------------|

#### Details of ESIC Registration and Contributions of our Company:

|                                                                                 |    |
|---------------------------------------------------------------------------------|----|
| Total no. of Employees in the Company as on June 30, 2025                       | 32 |
| Total no. of Employees eligible to be registered under ESIC as on June 30, 2025 | 20 |
| Total no. of Employees registered under ESIC as on June 30, 2025                | 20 |

(in Lakhs)

| ESIC Details                     | F.Y. 2022-23 | F.Y. 2023-24 | F.Y. 2024-25 |
|----------------------------------|--------------|--------------|--------------|
| Employee's Share of Contribution | 0.29         | 0.25         | 0.33         |
| Employer's Share of Contribution | 1.27         | 1.10         | 1.42         |
| Total Contribution               | <b>1.56</b>  | <b>1.35</b>  | <b>1.75</b>  |

#### Details of PF Registration and Contributions of our Company:

|                                                                               |    |
|-------------------------------------------------------------------------------|----|
| Total no. of Employees in the Company as on June 30, 2025                     | 32 |
| Total no. of Employees eligible to be registered under PF as on June 30, 2025 | 29 |
| Total no. of Employees registered under PF as on June 30, 2025                | 29 |

(in Lakhs)

| PF Details                       | F.Y. 2022-23 | F.Y. 2023-24 | F.Y. 2024-25 |
|----------------------------------|--------------|--------------|--------------|
| Employer's Share of Contribution | 6.78         | 6.65         | 7.29         |
| Employee's Share of Contribution | 6.84         | 6.73         | 7.41         |
| Total Contribution               | <b>13.62</b> | <b>13.38</b> | <b>14.70</b> |

There have been instances of delays and non-deposit of certain statutory dues, including ESIC, PF and Professional Tax. For details, please refer to the risk factor ***“There have been instances of delays and non-deposit of certain statutory dues, including ESIC, PF and Professional Tax. Any cognizance being taken by respective authorities or future delays or non-compliance in payment of statutory obligations may result in penalties, interest liabilities, or regulatory actions, which could adversely impact our business, financial condition, results of operations and cash flows”***. on page 34 of this RHP.

#### Quality Certification

| Sr. No | Description                                                                                                                                                                                      | Registration number | Authority                       | Date of Issue                                                                         | Date of Expiry                                                                                     |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------------|---------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| 1.     | Certificate for Environmental Management System of the Company under ISO 9001:2015 with the following scope: Manufacturing of Colour Masterbatches, Additive Masterbatches and Polymer Compounds | IN11483A            | Integral Certification (P) Ltd. | Date of Initial Registration: May 04, 2019<br><br>Date of Certificate: April 26, 2022 | Rectification Date: May 03, 2025<br><br>Remains valid subject to satisfactory surveillance audits. |

#### Intellectual Property

Trademarks registered/objected/abandoned in the name of our company

| S. No | Brand Name/Logo Trademark                                                          | Class | Registration/ Application Number and date | Authority                    | Current Status       |
|-------|------------------------------------------------------------------------------------|-------|-------------------------------------------|------------------------------|----------------------|
| 1.    |   | 17    | 6747220<br>December 09, 2024              | Trade Marks Registry, Mumbai | Formality Check Pass |
| 2.    | MEHUL COLOURS                                                                      | 17    | 6747219<br>December 09, 2024              | Trade Marks Registry, Mumbai | Formality Check Pass |
| 3.    |  | 1     | 6747218<br>December 09, 2024              | Trade Marks Registry, Mumbai | Formality Check Pass |
| 4.    | MEHUL COLOURS                                                                      | 1     | 6747217<br>December 09, 2024              | Trade Marks Registry, Mumbai | Formality Check Pass |

#### APPLICATIONS MADE BY OUR COMPANY BUT PENDING APPROVAL

Pursuant to the name change of our Company, we have applied for name change for the Consent to Operate the factory at Unit No. 29 to Unit No. 32. However, the approval for this application is still pending from the relevant government authorities.

#### MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY

Pursuant to the name change of our Company, our Company is in the process of updating its name with various statutory authorities. We have already secured registrations under the new name for Permanent Account Number (PAN), Tax Deduction and Collection Account Number (TAN), Employees State Insurance Corporation (ESIC) and Employees Provident Fund (EPF), Goods and Services Tax (GST), Factory License, Importer- Exporter Code (IEC) etc. However, there are certain applications which are yet to be made.

### **OUR GROUP COMPANIES**

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Companies, our Company has considered those companies as our Group Companies with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years and stub period (if any) and others as considered material by our Board. Further, pursuant to a resolution of our Board dated March 14, 2025 for the purpose of disclosure in relation to Group Companies in connection with the Issue, a company shall be considered material and disclosed as Group Company if such company fulfils the below mentioned conditions:

- a. the companies with which there were related party transactions (in accordance with AS-18), as disclosed in the Restated Financial Statements ("Restated Financial Statements"); or
- b. if such company fulfils both the below mentioned conditions: -
  - i. Such company that forms part of the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations; and
  - ii. Our Company has not entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10% of total revenue of the company as per Restated Financial Statements.

There are no companies/entities falling under definition of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 which are to be identified as group company

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

#### **Corporate Approvals:**

The Board of Directors, pursuant to a resolution passed at their meeting held on March 12, 2025 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extraordinary General Meeting held on March 13, 2025 authorized the Issue.

#### **In-principal Approval:**

Our Company has obtained in-principal approval from the BSE SME (SME Platform) for using its name in the Offer Documents pursuant to an approval letter dated July 01, 2025, BSE is the Designated Stock Exchange.

### **Prohibition by SEBI, RBI or governmental authorities**

As on date of this Red Herring Prospectus, we confirm that our Company, our Promoters, our Promoter Group, our directors, person(s) in control of the promoter, our Group Companies or the natural person(s) in control of our Company are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court.

The companies, with which our directors are or were associated as promoter, directors or persons in control are not prohibited or debarred from accessing capital markets under any order or direction passed by SEBI or any other regulatory authority.

None of our Directors or the entities that our directors are associated with as promoter or directors is in any manner associated with the securities market and there has been no action taken by the SEBI against our Directors or any entity in which our Director's are associated with as promoter or directors.

Our Promoters or Directors have not been declared as fugitive economic offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

### **Prohibition with respect to wilful defaulter or a fraudulent borrower**

Neither our Company, our Promoter, our Directors, Group Companies, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as wilful defaulter or a fraudulent borrower as defined by the SEBI ICDR Regulations, 2018.

### **Prohibition by RBI**

Neither our Company nor any of our Promoters or Directors has been declared as willful defaulter(s) or fraudulent borrowers by the RBI or any other governmental authority.

### **Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018**

Our Company, Promoters and Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent applicable to each of them as on the date of the Red Herring Prospectus.

### **Eligibility for the Issue**

Our Company is eligible in terms of Regulations 230 of SEBI (ICDR) Regulations for this issue.

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations; and this issue is an Initial Public Issue in terms of the SEBI (ICDR) Regulations.

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 paid up capital does not exceed 25 crore rupees and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange [in this case being the “SME Platform of BSE (BSE SME)”].

**We confirm that:**

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue will be 100% underwritten and that the BRLM to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting, please refer to section titled **“General Information – Underwriting”** beginning on page 63 of this Red Herring Prospectus.
2. In accordance with Regulation 268 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 Two Hundred (200), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within Four (4) 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 Four (4) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act, 2013.
3. In terms of Regulation 246(3) of the SEBI (ICDR) Regulations, we shall ensure that our Book Running Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate Form A of Schedule V to which the site visit report of the issuer prepared by the lead manager(s) shall also be annexed including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus.
4. In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, we hereby confirm that we will enter into an agreement with the Book Running Lead Manager and with 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 (BSE SME). For further details of the arrangement of market making please refer to section titled **“General Information- Details of the Market Making Arrangements for this Issue”** beginning on page 64 of this Red Herring Prospectus.
5. In accordance with Regulation 228(c) of the SEBI (ICDR) Regulations, Neither the issuer nor any of its promoters or directors is a wilful defaulter or a fraudulent borrower.
6. In accordance with Regulation 228(d) of the SEBI (ICDR) Regulations, None of the Issuer’s promoters or directors is a fugitive economic offender.
7. In accordance with Regulation 230(1)(a) of the SEBI (ICDR) Regulations, Application is being made to SME Platform of BSE (BSE SME).
8. In accordance with Regulation 230(1)(b) of the SEBI (ICDR) Regulations, our Company has entered into agreement with depositories for dematerialisation of specified securities already issued and proposed to be issued.
9. In accordance with Regulation 230(1)(c) of the SEBI (ICDR) Regulations, all the present Equity share Capital is fully Paid-up.
10. In accordance with Regulation 230(1)(d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoters are already in dematerialised form.
11. Our Company shall mandatorily facilitate trading in Demat securities for which we have entered into an agreement with the Central Depository Services Limited (CDSL) dated March 04, 2025 and National Securities Depository Limited (NSDL) dated January 30, 2025 for establishing connectivity.
12. Our Company has a website i.e. [www.mehulcolours.com](http://www.mehulcolours.com).
13. There has been no change in the promoters of the Company in the preceding one year from date of filing application to SME Platform of BSE.
14. No regulatory action of suspension of trading against the promoter(s) or companies promoted by the promoters by any stock Exchange having nationwide trading terminals.

15. The Promoter(s) or directors shall not be promoter(s) or directors (other than independent directors) of compulsory delisted companies by the Exchange and the applicability of consequences of compulsory delisting is attracted or companies that are suspended from trading on account of non-compliance.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of BSE SME:

- 1) Our Company was incorporated as “Mehul Colours and Masterbatches Private Limited” on December 12, 1995, under the provisions of the Companies Act, 1956, pursuant to a Certificate of Incorporation issued by Registrar of Companies, Maharashtra. Thereafter, our Company was converted from private limited to public limited, pursuant to special resolution passed by the shareholders of the Company at the Extraordinary General meeting held on December 02, 2024 and the name of our Company was changed from “Mehul Colours and Masterbatches Private Limited” to “Mehul Colours and Masterbatches Limited” vide fresh certificate of incorporation dated December 16, 2024 issued by the Registrar of Companies, Central Processing Centre. Subsequently, the name of our Company was changed from “Mehul Colours and Masterbatches Limited” to “Mehul Colours Limited”, pursuant to a Special Resolution passed by the shareholder at the Extraordinary General meeting held on January 04, 2025 vide fresh Certificate of Incorporation issued by the Registrar of Companies, Central Processing Centre, as on January 9, 2024. The Corporate identification number of our Company is U25209MH1995PLC095225.
- 2) The present paid-up capital of our Company is ₹ 7.54 Crores and we are proposing issue of upto 30,08,000 Equity Shares having face value of ₹ 10/- each at Issue price of ₹ [●] per Equity Share including share premium of ₹ [●] per Equity Share, aggregating to ₹ [●] Lakh. The post issue paid up capital of the company will be up to 1,05,49,040 shares of face value of ₹ 10/- aggregating up to ₹ 10.55 Crores which is less than ₹ 25 Crores.
- 3) The Company has a track record of at least 3 years for the year ended March 31, 2025, March 31, 2024 and March 31, 2023 as on the date of filling Red Herring Prospectus.
- 4) Based on the Restated Financial Statements, Company’s Net Tangible Assets for the year ended 31 March , 2025 was more than Rs. 3 Crores and the working is given below:

(Rs. in lakhs)

| Particulars             | March 31, 2025 |
|-------------------------|----------------|
| Net Worth               | 1,706.06       |
| Less: Intangible Assets | -              |
| Net Tangible Assets     | 1,706.06       |

- 5) The company confirms that it has made operating profit (earnings before interest, depreciation and tax) from operations for at least 3 financial years preceding the application and its net worth as on March 31, 2025 is positive.

(Rs. in Lakhs)

| Particulars                | March 31, 2025 | March 31, 2024 | March 31, 2022 |
|----------------------------|----------------|----------------|----------------|
| Net Worth                  | 1706.06        | 1,155.71       | 835.76         |
| Operating Profit (EBITDA)* | 688.47         | 397.03         | 417.59         |

\*EBITDA (Interest does not include Other Borrowing cost grouped under finance cost).

- 6) The Leverage ratio (Total Debts to Equity) of the Company which is less than the limit of 3:1. The working is given below:-

(Rs. in lakhs)

| Particulars     | March 31, 2025 | March 31, 2024 | March 31, 2023 |
|-----------------|----------------|----------------|----------------|
| Debt (ST+LT)    | -              | 36.16          | -              |
| Net worth       | 1,706.06       | 1,155.71       | 835.76         |
| Leverage Ratio* | -              | 0.03           | -              |



- 7) Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoter, Group Companies, companies promoted by the promoter of the Company;
- 8) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR);
- 9) Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.
- 10) None of the Directors of our Company have been categorized as a Wilful Defaulter or fraudulent borrowers.
- 11) There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
- 12) No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company
- 13) The directors of the issuer are not associated with the securities market in any manner and there is no outstanding action against them initiated by the Board in the past five years.
- 14) We confirm that:
  - i. There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company.
  - ii. There is no default in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years.
  - iii. There are no litigations record against the applicant, promoters/promoting company(ies), group companies, companies & promoted by the promoters/promoting company(ies) except as stated in the section titled “Outstanding Litigation and Material Developments” beginning on page 220 of this Red Herring Prospectus.
  - iv. There are no criminal cases/investigation/offences filed against the director of the company with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences, except as stated in the section titled “Outstanding Litigation and Material Developments” beginning on page 220 of this Red Herring Prospectus.
- 15) We have a functional website: [www.mehulcolours.com](http://www.mehulcolours.com) .
- 16) 100% of Equity Shares held by the Promoters are in dematerialized form.
- 17) Our company has facilitated trading in demat securities and has entered into an agreement with both the depositories.
- 18) There has been no change in the Promoter(s) of our Company in the preceding one year from date of filing application to BSE for listing on BSE SME.
- 19) Our composition of the board is in compliance with the requirements of Companies Act, 2013.
- 20) The Net worth computation is computed as per the definition given in SEBI (ICDR) Regulations.
- 21) Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.

We further confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of BSE. The Company has a track record of at least 3 years as on the date of filing Red Herring Prospectus.

#### DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT OFFER DOCUMENT/ OFFER DOCUMENT 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 OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, SEREN CAPITAL PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER, SEREN CAPITAL PRIVATE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, SEREN CAPITAL PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 28, 2025 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS DRAFT OFFER DOCUMENT/ OFFER DOCUMENT 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 PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Red Herring Prospectus with the Registrar of Companies, Mumbai, Maharashtra in terms of sections 26 and 33 of the Companies Act, 2013.

#### Statement on Price Information of Past Issues handled by Seren Capital Private Limited:

| Sr. No. | Issue name                | Issue size (₹ in Cr.) | Issue Price (₹) | Listing date  | Opening Price on listing date | +/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing |
|---------|---------------------------|-----------------------|-----------------|---------------|-------------------------------|-----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| 1.      | Patil Automation Limited* | 69.61                 | 120             | 23 June, 2025 | 155                           | +86.92%<br>[+0.49%]                                                                                             | NA                                                                                                              | N.A.                                                                                                             |

Source: Price Information from [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

\*The scrip of Patil Automation Limited has not completed its 90<sup>th</sup> day from the date of listing.

**Summary statement of Disclosure:**

| Financial Year | Total no. of IPOs | 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 % |
| 2025-26        | 1 <sup>(1)</sup>  | 69.61                                | NA                                                                           | NA              | NA             | 1                                                                           | NA              | NA             | NA                                                                            | NA              | NA             | NA                                                                           | NA              | NA             |

<sup>(1)</sup> The scrip of Patil Automation Limited was listed on 23<sup>rd</sup> June, 2025.

**Track Record of past issues handled by Seren Capital Private Limited**

For details regarding track record of BRLM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the BRLM at [www.serencapital.in](http://www.serencapital.in).

**Disclaimer from our Company and the Book Running Lead Manager**

Our Company, the Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Red Herring Prospectus or, in case of the Company, in the advertisements or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at their own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Agreement entered between the BRLM (Seren Capital Private Limited) and our Company on March 20, 2025 and the Underwriting Agreement dated June 21, 2025 entered into between the Underwriter and our Company and the Market Making Agreement dated June 21, 2025 entered into among the Market Maker and our Company.

All information shall 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.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with and perform services for, our Company, our Promoter Group, Group Companies, 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 Companies and our affiliates or associates for which they have received and may in future receive compensation.

**Note:**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriter and their respective Directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the issue.

**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 majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations,

insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this 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 jurisdiction of the competent court(s) in Mumbai, Maharashtra, 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 hereby may not be offered or sold, directly or indirectly and this 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 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 from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **Disclaimer Clause of the SME Platform of BSE**

BSE Limited ("BSE") has vide its letter dated July 01, 2025, given permission to "Mehul Colours Limited" to use its name in the Offer Document as the Stock Exchange on whose Small and Medium Enterprises Platform ("SME platform") the Company's securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. BSE does not in any manner:

- i) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii) warrant that this Company's securities will be listed on completion of Initial Public Offering or will continue to be listed on BSE; or
- iii) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.
- iv) warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker (s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.
- v) BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.
- vi) The Company has chosen the SME platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE/other regulatory authority. Any use of the SME platform and the related services are subject to Indian laws and Courts exclusively situated in Mumbai.

#### **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 Regulations 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 will be offered and sold outside the United States in compliance with Regulations of the Securities Act and the applicable laws of the jurisdiction 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 where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

### **Filing of Red Herring Prospectus/ Red Herring Prospectus/ Prospectus with the SEBI/ RoC**

The Red Herring Prospectus is being filed with BSE Limited, 25th Floor, P J Towers Dalal Street, Mumbai, Maharashtra, India, 400001

The Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(3) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/ Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

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

### **Listing**

The Equity Shares of our Company are proposed to be listed on BSE SME. Our Company has obtained in-principle approval from BSE by way of its letter dated July 01, 2025 for listing of equity shares on SME Platform of BSE Limited (BSE SME).

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the BSE SME is not granted by BSE, our Company shall forthwith repay, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the BSE SME mentioned above are taken within three (3) Working Days of the Bid/Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within three (3) Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

### **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-

- i. Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- ii. 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
- iii. 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 to action under section 447 of the Companies, Act 2013

### **Consents**

Consents in writing of Our Directors, Our Promoter, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Peer reviewed Statutory Auditor, Independent Chartered Accountant, Independent Chartered Engineer, Our Banker to the Company, Book Running Lead Manager, Registrar to the Issue, Legal Advisor to the Issue, Banker to the Issue/ Sponsor Bank, Syndicate Members, Underwriter to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained as required under section 26 and 32 of the Companies Act, 2013 and shall be filed along with a copy of the Red Herring Prospectus/ Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, 2018, YMS & Co. LLP, Chartered Accountants, Statutory Auditors of the Company has agreed to provide their written consent to act as Peer review Statutory Auditor as well as inclusion of their respective reports on Statement of Special Tax Benefits relating to the special tax benefits and restated financial statements as included in this Red Herring Prospectus/ Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for registration with the RoC.

### **Experts Opinion**

Except for (i) the Installed Capacity and Actual Capacity Utilization Certificate issued by the Independent Chartered Engineer, (ii) the Independent Chartered Accountant Certificates issued in connection with this Issue and (iii) the certificates provided in the sections titled “Restated Financial Statements” and “Statement of Special Tax Benefits” on pages 157 and 99, respectively, of this Red Herring Prospectus by the Statutory Auditor, our Company has not obtained any expert opinions. However, the term “expert” shall not be interpreted as defined under the U.S. Securities Act of 1933.

### **Fees, Brokerage and Selling Commission payable**

The total fees payable to the Book Running Lead Manager will be as per the (i) Agreement dated March 20, 2025 with the Book Running Lead Manager, (ii) the Underwriting Agreement dated June 21, 2025 with the Underwriter and (iii) the Market Making Agreement June 21, 2025 with the Market Maker, a copy of which is available for inspection at our Corporate Office from 10.00 AM to 5.00 PM on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN, tape and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Issue dated March 20, 2025, a copy of which is available for inspection at our Company’s Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/speed post.

### **Particulars regarding Public or Rights Issues during the last five (5) years**

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Red Herring Prospectus.

### **Previous issues of Equity Shares otherwise than for cash**

For detailed description please refer to the section titled “*Capital Structure*” beginning on page 67 of this Red Herring Prospectus.

### **Underwriting Commission, brokerage and selling commission on Previous Issues**

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 for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

### **Previous capital issue during the last three years by listed Group Companies of our Company**

Our Company does not have any Group Company.

### **Performance vis-à-vis objects**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

As on the date of this Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

### **Partly Paid-Up Shares**

As on the date of this Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

### **Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing this Red Herring Prospectus.

### **Option to Subscribe**

- a. Investors will get the allotment of specified securities in dematerialization form only.
- b. The equity shares, on allotment, shall be traded on stock exchange in Demat segment only.

### **Stock Market Data for our Equity Shares**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

### **Investor Grievances and Redressal System**

The agreement between the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) years from the last date of dispatch of the letters of allotment and Demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there are no investors complaints received during the three years preceding the filing of this Red Herring Prospectus. Since there are no investors complaints received, none are pending as on the date of filing of this Red Herring Prospectus.

Investors may contact the BRLM for any complaint pertaining to the Issue. All grievances, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, where the Application Form was submitted, quoting the full name of the sole or first Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, address of the Applicant, number of Equity Shares applied for, date of Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Applicant shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. Our Company, BRLM and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be within 15 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Bhuvnesh Kumar Sharma, as the Company Secretary and Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

**Shilpa Karan Mehta**

Company Secretary and Compliance Officer

**Mehul Colours Limited (formerly known as Mehul Colours and Masterbatches Limited)**

**Address:** Unit No - A 305,306, Kemp Plaza, Link Road,  
Chincholi Bunder Road, Mind Space, Near Evershine Mall,  
Malad West, Mumbai, Maharashtra, India, 400064.

**Tel. No.:** 91-8879000601

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

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

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in).

Our Board by a resolution on March 14, 2025 constituted a Stakeholders Relationship Committee. For further details, please refer to section titled "***Our Management***" beginning on page 137 of this Red Herring Prospectus.

**Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Red Herring Prospectus.

**Disposal of investor grievances by listed companies under the same management as our Company**

We do not have any listed company under the same management.

**Tax Implications**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled "***Statement of Special Tax Benefits***" beginning on page 99 of this Red Herring Prospectus.

**Purchase of Property**

Other than as disclosed in Section "***Our Business***" beginning on page 111 of this Red Herring Prospectus there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Red Herring Prospectus.

Except as stated elsewhere in this Red Herring Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made there under.

**Capitalization of Reserves or Profits**

Save and except as stated in "***Capital Structure***" on page 67 of this Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

**Revaluation of assets**

There has not been any revaluation of assets since incorporation of the Company.

**Servicing Behavior**



There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

**Payment or benefit to officers of Our Company**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed under chapter titled ***“Our Management”*** beginning on page 137 and chapter ***“Financial Information”*** beginning on page 157 of this Red Herring Prospectus none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

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

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

## **SECTION VIII- ISSUE RELATED INFORMATION**

### **TERMS OF THE ISSUE**

*The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Red Herring Prospectus, Prospectus, Application Form, any Confirmation of Allocation Note ("CAN"), the Revision Form, Allotment advices and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the Issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, SEBI through its UPI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From December 1, 2023, the UPI Mechanism for Individual investors who apply for minimum application size applying through Designated Intermediaries was made effective along-with the existing process existing timeline of T+3 days.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

#### **Authority for the Issue**

The present Public Issue of upto 30,08,000 Equity Shares having face value of Rs. 10 each has been authorized by a resolution of the Board of Directors of our Company at their meeting held on March 12, 2025 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on March 13, 2025 in accordance with the provisions of Section 23(1)(c), 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our MOA and AOA and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled, '**Main Provisions of Article of Association**', beginning on page 291 of this Red Herring Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to section titled "**Dividend Policy**" and "**Main Provisions of Article of Association**" beginning on page 156 and 291 respectively of this Red Herring Prospectus.

#### **Face Value and Issue Price**

The face value of each Equity Share is ₹ 10.00 and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share ("Floor Price") and at the higher end of the Price Band is ₹ [●] per Equity Share ("Cap Price"). The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company in consultation with the BRLM and will be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in all editions of Financial Express, an English national daily newspaper and all editions of Jansatta, a Hindi national daily newspaper and Pratahakal, a regional newspaper each with wide circulation and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company and in consultation with the BRLM, after the Bid/ Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### **Compliance with SEBI ICDR Regulations, 2018**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Compliance with Disclosure and Accounting Norms**

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- a) Right to receive dividend, if declared;
- b) Right to receive Annual Reports and notices to members;
- c) Right to attend general meetings and exercise voting rights, unless prohibited by law;
- d) Right to vote on a poll either in person or by proxy;
- e) Right to receive offer for rights shares and be allotted bonus shares, if announced;
- f) Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- g) Right of free transferability of the Equity Shares; and
- h) Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to section titled **"Main Provisions of the Articles of Association"** beginning on page 291 of this Red Herring Prospectus.

### **Allotment only in Dematerialized Form**

As per the provisions of the Depositories Act, 1996 and the regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated between January 30, 2025 NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated March 04, 2025 between CDSL, our Company and Registrar to the Issue.

## **Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the BSE SME (SME platform of BSE) from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

## **Minimum Number of Allottees**

In accordance with Regulation 268 of SEBI (ICDR) Regulations, 2018 the minimum number of allottees in the Issue shall be 200 shareholders. In case the minimum number of prospective allottees is less than 200, no allotment will be made pursuant to this Issue and all the monies blocked by SCSB s collected shall be unblocked within four (4) working days of closure of Issue forthwith..

## **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/ authorities in Mumbai, Maharashtra, India.

**The Equity Shares have not been and will not be registered under the U.S Securities Act, 1933 or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the U.S. Securities Act, 1933 and the applicable laws of the jurisdictions where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

## **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

## **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person 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 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Corporate Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

#### Period of Subscription List of Public Issue

| Event                                                                                                       | Indicative Dates             |
|-------------------------------------------------------------------------------------------------------------|------------------------------|
| Anchor Investor Bid/Issue Date                                                                              | 29 <sup>th</sup> July, 2025  |
| Bid/ Issue Opening Date <sup>(1)</sup>                                                                      | 30 <sup>th</sup> July, 2025  |
| Bid/ Issue Closing Date <sup>(2)</sup>                                                                      | 1 <sup>st</sup> August, 2025 |
| Finalization of Basis of Allotment with the Designated Stock Exchange(T+1)                                  | 4 <sup>th</sup> August, 2025 |
| Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account*(T+2) | 5 <sup>th</sup> August, 2025 |
| Credit of Equity Shares to Demat Accounts of Allottees(T+2)                                                 | 5 <sup>th</sup> August, 2025 |
| Commencement of Trading of The Equity Shares on the Stock Exchange(T+3)                                     | 6 <sup>th</sup> August, 2025 |

*Note <sup>1</sup>Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations*

*<sup>2</sup>Our Company in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

**\*\*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.**

**The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.**

Bid-Cum- Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Bid-Cum- Application Forms will be accepted only between 10.00 A.M. to 3.00 P.M. (IST) for individual investors who applies for minimum application size and non-individual Bidders. The time for applying for individual investors who applies for minimum application size on Bid/ Issue Closing Date maybe extended in consultation with the BRLM, RTA and BSE taking into account the total number of applications received up to the closure of timings.

On the Bid/ Issue Closing Date, the Bids shall be uploaded until 04:00 p.m. for all categories of bidders.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/ Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to the limitation of time available for uploading the Bid-Cum-Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 03.00 P.M. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this 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, none of the bidders are 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. Allocation to individual investors who applies for minimum application size, in this Issue will be on a proportionate basis.

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

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

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

### **Minimum Subscription and Underwriting**

This Issue is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 200 (Two hundred).

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities and if any such money is not repaid within four 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 fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled **“General Information - Underwriting”** on page 63 of this 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 two lots per application.

### **Migration to Main Board**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

If the Paid-up Capital of the company is likely to increase above ₹25.00 Crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our 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 the company is more than ₹10 crores but below ₹25 crores and if the company fulfils the eligibility criteria for listing laid down by the main board, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares offered through this Issue are proposed to be listed on the BSE SME (SME platform of BSE), wherein the BRLM to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of BSE.

For further details of the agreement entered into between the Company the BRLM and the Market Maker please refer to section titled **“General Information - Details of the Market Making Arrangements for this Issue”** on page 64 of this Red Herring Prospectus.

### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in two lots, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

### **As per the extent Guideline of the Government of India, OCBs cannot participate in this Issue:**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

### **Allotment of Equity Shares in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

#### **Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Issue Equity Shares and Promoters minimum contribution in the Issue as detailed under section titled **“Capital Structure”** beginning on page 67 of this Red Herring Prospectus and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled **“Main Provisions of the Articles of Association”** beginning on page 291 of this Red Herring Prospectus.

#### **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 (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

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

Our Company in consultation with the BRLM, reserve the right to not to proceed with the issue after the Bid/ Issue Opening date but before the Allotment. In such an event, our Company would issue a public notice in the newspaper in which the pre-issue advertisements were published, within two days of the Bid/ Issue Closing date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the issue. The BRLM through, the Registrar of the issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one working day from the date of receipt of such notification. Our Company shall also inform the same to the stock exchange on which equity shares are proposed to be listed.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLM are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*



## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is more than or equal to ten Crore rupees but less than twenty five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("**SME Exchange**", in this case being the BSE SME). For further details regarding the salient features and terms of such an issue please refer chapter titled "**Terms of the issue**" and "**Issue Procedure**" on page 245 and 256 of this Red Herring Prospectus.

### **Issue Structure:**

Initial Public Issue of up to 30,08,000 Equity Shares of face value of ₹10 each (the "Equity Shares") for cash at a price of ₹ [●] per Equity Share (including a Share Premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] Lakhs ("the Issue") by the issuer Company (the "Company").

The Issue comprises a reservation of upto 1,52,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and Net Issue to Public of upto 28,56,000 Equity Shares of ₹ 10 each ("the Net Issue"). The Issue and the Net Issue will constitute 28.51 % and 27.07%, respectively of the post Issue paid up equity share capital of the Company. The Issue is being made through the Book Building Process.

| <b>Particulars of the Issue<sup>(2)</sup></b>            | <b>Market Maker Reservation Portion</b>                  | <b>QIBs<sup>(1)</sup></b>                                                                                                                                                                                                                                                                                                                                                                                           | <b>Non-Institutional Investors</b>                                                                                                                                                                                                                                                                                                                                                                                  | <b>Individual investors who applies for minimum application size</b>                               |
|----------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| <b>Number of Equity Shares available for allocation</b>  | Upto 1,52,000 Equity Shares of face value of Rs. 10 each | Not more than 14,25,600 Equity Shares of face value of Rs. 10 each                                                                                                                                                                                                                                                                                                                                                  | Not less than 4,28,800 Equity Shares of face value of Rs. 10 each                                                                                                                                                                                                                                                                                                                                                   | Not less than 10,01,600 Equity Shares of face value of Rs. 10 each                                 |
| <b>Percentage of Issue Size available for allocation</b> | 5.05% of the Issue Size                                  | Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion | Not less than 15% of the Net Issue. Further (a) one third of the portion available to non - institutional investors shall be reserved for applicants with application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs; and (b) two third of the portion available to noninstitutional investors shall be reserved for applicants with application size of more than ₹10 lakhs. | Not less than 35% of the Net Issue.                                                                |
| <b>Basis of Allotment<sup>(3)</sup></b>                  | Firm Allotment                                           | Proportionate as follows (excluding the Anchor Investor Portion):<br>(a) Up to 27,200 Equity Shares of face value of Rs. 10 each shall be available for allocation on a proportionate basis to Mutual Funds only; and<br>(b) Up to 5,44,000 Equity Shares of face value of Rs.                                                                                                                                      | Subject to the availability of shares in non-institutional investors' category, the allotment of equity shares to each non institutional category shall not be less than the minimum application size in non-institutional investor category, and the remaining shares, if any, shall be                                                                                                                            | Proportionate basis subject to minimum allotment of [●] Equity Shares of face value of Rs. 10 each |

| Particulars of the Issue <sup>(2)</sup> | Market Maker Reservation Portion                                                                                                                                                                                                                                                                                                                                                                 | QIBs <sup>(1)</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Non-Institutional Investors                                                                                                                                                                   | Individual investors who applies for minimum application size                            |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
|                                         |                                                                                                                                                                                                                                                                                                                                                                                                  | <p>10 each shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.</p> <p>Up to 60% of the QIB Portion (of up to 8,54,400 Equity Shares of face value of Rs. 10 each may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price</p> | allotted on a proportionate basis, the [●] Equity Shares shall be allotted in multiples of [●] Equity Shares.                                                                                 |                                                                                          |
| <b>Mode of Allotment</b>                | Compulsorily in dematerialized form.                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                               |                                                                                          |
| <b>Minimum Bid Size</b>                 | 1,52,000 Equity Shares                                                                                                                                                                                                                                                                                                                                                                           | Application should be for minimum three lots (i.e. [●] Equity Shares of face value of Rs. 10 each.)                                                                                                                                                                                                                                                                                                                                                                                              | Application should be for minimum three lots (i.e. [●] Equity Shares of face value of Rs. 10 each.)                                                                                           | Application should be for two lots (i.e. [●] Equity Shares of face value of Rs. 10 each) |
| <b>Maximum Bid Size</b>                 | 1,52,000 Equity Shares                                                                                                                                                                                                                                                                                                                                                                           | Such number of Equity Shares in multiples of [●] Equity Shares of face value of Rs. 10 each not exceeding the size of the Net Issue, subject to applicable limits                                                                                                                                                                                                                                                                                                                                | Such number of Equity Shares in multiples of [●] Equity Shares of face value of Rs. 10 each not exceeding the size of the Net Issue (excluding the QIB portion), subject to applicable limits | Application should be for two lots (i.e. [●] Equity Shares of face value of Rs. 10 each) |
| <b>Trading Lot</b>                      | [●] Equity Shares of face value of Rs. 10 each, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.                                                                                                                                                                                                                           | [●] Equity Shares of face value of Rs. 10 each and in multiples thereof                                                                                                                                                                                                                                                                                                                                                                                                                          | [●] Equity Shares of face value of Rs. 10 each and in multiples thereof                                                                                                                       | [●] Equity Shares of face value of Rs. 10 each and in multiples thereof                  |
| <b>Terms of Payment</b>                 | Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(4)</sup> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                               |                                                                                          |

| Particulars of the Issue <sup>(2)</sup> | Market Maker Reservation Portion | QIBs <sup>(1)</sup>                                          | Non-Institutional Investors   | Individual investors who applies for minimum application size |
|-----------------------------------------|----------------------------------|--------------------------------------------------------------|-------------------------------|---------------------------------------------------------------|
| <b>Mode of Bid</b>                      | Only through the ASBA process.   | Only through the ASBA process. (Except for Anchor investors) | Only through the ASBA process | Through ASBA Process via Banks or by using UPI ID for payment |

\* Subject to finalization of basis of allotment.

*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 Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the 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, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager 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 Bid cum Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*

The Bids by FPIs with certain structures as described under **“Issue Procedure - Bids by FPIs”** on pages 267 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

### **Withdrawal of the Issue**

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Bid/Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Bid/Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (*one each in English and Hindi*) and one in regional newspaper.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the issue after the Bid/Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) filing of the Red Herring Prospectus/ Prospectus with ROC.

### Issue Program

| Event                                                                                                                              | Indicative Dates             |
|------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Anchor Investor Bid/Issue Date                                                                                                     | 29 <sup>th</sup> July, 2025  |
| Bid/ Issue Opening Date <sup>(1)</sup>                                                                                             | 30 <sup>th</sup> July, 2025  |
| Bid/ Issue Closing Date <sup>(2)</sup>                                                                                             | 1 <sup>st</sup> August, 2025 |
| Finalization of Basis of Allotment with the Designated Stock Exchange(T+1)                                                         | 4 <sup>th</sup> August, 2025 |
| Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI ID linked bank account Id Linked Bank Account*(T+2) | 5 <sup>th</sup> August, 2025 |
| Credit of Equity Shares to Demat accounts of Allottees(T+2)                                                                        | 5 <sup>th</sup> August, 2025 |
| Commencement of trading of the Equity Shares on the Stock Exchange(T+3)                                                            | 6 <sup>th</sup> August, 2025 |

*Note <sup>1</sup>Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI ICDR Regulations.*

*<sup>2</sup>Our Company in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

**The above time table is indicative and does not constitute any obligation on our Company. 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 BSE SME platform is taken within Three Working Days from the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company 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.**

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(excluding the Bid/ Issue Closing Date).

Standardization of cut-off time for uploading of applications on the Bid/ Issue Closing Date:

- A standard cut-off time of 3.00 P.M. for acceptance of applications.
- A standard cut-off time of 4.00 P.M. for uploading of applications received from all categories of bidders.
- UPI Mandate Acceptance/ Confirmation shall be available upto 5:00 PM on the last day of bidding.

It is clarified that Bids not uploaded would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum- Application Form, for a particular bidder, the details as per physical Bid-Cum-application form of that Bidder may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays).

## **ISSUE PROCEDURE**

All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 issued by SEBI and the UPI Circulars “the General Information Document” which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, SCRA, the SCRR and the SEBI ICDR Regulations which is part of the Abridged Prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Bidders may refer to the General Information Document for information, in relation to (i) category of Bidders eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid Cum Application Form); (vii) Designated Date; (viii) disposal of Applications and electronic registration of bids; (ix) submission of Bid Cum Application Form; (x) other instructions (limited to joint Applications in cases of individual, multiple Applications and instances when an Application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious Applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI through its UPI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for Individual investors who apply for minimum application size applying through Designated Intermediaries was made effective alongwith the existing process existing timeline of T+6 days (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

Subsequently, for applications by individual investors who applies for minimum application size 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 is applicable for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), With effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by individual investors who applies for minimum application size (“UPI Phase III”), as may be prescribed by SEBI. Further, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and the provisions of this circular are deemed to form part of this Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual Investors in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism.

Furthermore, SEBI vide press release bearing number 12/2023 has approved the proposal for reducing the time period for listing of shares in public issue from existing 6 working days to 3 working days from the date of the closure of the issue. The revised timeline of T+3 days shall be made applicable in two phases i.e. voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Further, SEBI has vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 reduced the time taken for listing of specified securities after the closure of a public issue to three Working Days. Accordingly, the Issue will be made under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time.

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 SME Platform of BSE Limited (“BSE SME”) to act as intermediaries for submitting Application Forms are provided on [www.bsesme.com](http://www.bsesme.com) For details on their

designated branches for submitting Application Forms, please see the above-mentioned website of Platform of BSE Limited (“BSE SME”).

The BRLMs shall be the nodal entity for any Issues arising out of the public issuance process. In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Book Running Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus and the Red Herring Prospectus.

Further, the Company and the BRLM are not liable for any adverse occurrence’s consequent to the implementation of the UPI Mechanism for application in this Issue.

### **Phased implementation of Unified Payments Interface**

SEBI has issued the “UPI Circulars” in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, UPI mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by individual investors who applies for minimum application size through Designated 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 payment Mechanism, the UPI Circular have introduced the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a individual investors who applies for minimum application size had the option to submit the Application Form with any of designated intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, decided to continue Phase II of Unified Payments Interface with Application Supported by Blocked Amount until further notice. Under this phase, submission of the ASBA Form by individual investors who applies for minimum application size through Designated Intermediaries (other than SCSBs) 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:** This phase has become applicable 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, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“T+3 Notification”). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Issue is being made under Phase III of the UPI (on a mandatory basis).

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the individual investors who applies for minimum application size into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Manager.

## **PART A**

### **Book Building Procedure**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, 2018, the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation to Non Institutional Investors out of which (a) one third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs and (b) two third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹10 lakhs, Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of non-institutional investors.” and not less than 35% of the Issue shall be available for allocation to a individual investors who applies for minimum application size in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories.

Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 read with press release dated September 17, 2021 and CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

***Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws.***

**However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws. Phased implementation of UPI.**

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the BSE (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 offices of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the Individual investors who apply for minimum application size using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Issue through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

Since the Issue is made under Phase III of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- i. Individual investors who apply for minimum application size (other than the Individual investors who apply for minimum application size using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- ii. Individual investors who apply for minimum application size using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- iii. QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

**Anchor Investors are not permitted to participate in the issue through the ASBA process.**

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the BRLM. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or the Sponsor Bank(s), as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked / unblocked.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

| Category                                                                                                 | Colour* |
|----------------------------------------------------------------------------------------------------------|---------|
| Anchor Investor**                                                                                        | White   |
| Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)                               | White   |
| Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA) | Blue    |

\*Excluding Electronic Bid cum Application Form

\*\* Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

Electronic Bid cum Application forms will also be available for download on the website of BSE ([www.bseindia.com](http://www.bseindia.com)).

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by Individual investors who apply for minimum application size (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.



An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

| Sr. No. | Designated Intermediaries                                                                                                                                              |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | An SCSB, with whom the bank account to be blocked, is maintained                                                                                                       |
| 2.      | A syndicate member (or sub-syndicate member)                                                                                                                           |
| 3.      | A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’) |
| 4.      | A depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)                                           |
| 5.      | A registrar to an issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)                  |

individual investors who applies for minimum application size submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”) and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

|                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>For Applications submitted by Investors to SCSB</b>                                                        | After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.                                                                                                                                                                                                                                                                                                                                                |
| <b>For applications submitted by investors to intermediaries other than SCSBs</b>                             | After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.                                                                                                                                                                                                                                |
| <b>For applications submitted by investors to intermediaries other than 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 re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

#### **Availability of Red Herring Prospectus and Bid Cum Application Forms**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Issue Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

### **Who can Bid?**

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the RHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: -Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Kartal. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of ₹25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of ₹25 Crores and who are authorized under their constitution to hold and invest in equity shares;

- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

- 1. Minors (except through their Guardians)
- 2. Partnership firms or their nominations
- 3. Foreign Nationals (except NRIs)
- 4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.

**MAXIMUM AND MINIMUM APPLICATION SIZE**

**1. For individual investors who applies for minimum application size**

The Application must be for a minimum of two lots so as to ensure that the Application Price payable by the Bidder shall not be less than ₹2,00,000. In case of revision of Applications, the individual investors who applies for minimum application size have to ensure only upward revision and they shall not withdraw or lower their bids.

**2. For Other than individual investors who applies for minimum application size (Non-Institutional Applicants and QIBs):**

The Application must be for more than two lots so that the Application Amount exceeds ₹2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is for more than two lots for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The 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 Red Herring Prospectus.**

**Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

## **METHOD OF BIDDING PROCESS**

Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of the English national newspaper Financial Express, all editions of Hindi national newspaper Jansatta and Edition of the Regional Newspaper, Pratahakal, where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid/ Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid/ Issue Period.

- a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in all editions of the English national newspaper, Financial Express, all editions of Hindi national newspaper, Jansatta and Edition of the Regional Newspaper, Pratahakal, 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, individual investors who applies for minimum application size, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.
- c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- d) The Bidder/ Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- e) Except in relation to the Bids received from the Anchor Investors, the BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form
- f) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e., one working day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “Escrow Mechanism - Terms of payment and payment into the Escrow Accounts” in the section “Issue Procedure” beginning on page 256 of this 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**

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.

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.

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. Placing bids on Cut-off price shall not be applicable/ available to any of the category of bidding.

The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.

#### **Participation by Associates / Affiliates of BRLM and the Syndicate Members**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the Issue under the Anchor Investor Portion.

#### **Option to Subscribe in the Issue**

- a) As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b) The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

- c) A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

### **Information for the Bidders**

1. Our Company and the Book Running Lead Manager shall declare the Bid/ Issue Opening Date and Bid/ Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/ Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridged Prospectus and copies of the Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The individual investors who applies for minimum application size has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

## **BIDS BY ANCHOR INVESTORS:**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

1. Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹ 200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 200.00 lakhs
3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
4. Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
5. Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to ₹200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than ₹200.00 Lakhs but upto ₹2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than ₹2500.00 Lakhs:(i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor.
6. Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
8. If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
9. At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
10. 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

11. The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
12. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
13. Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

#### **BIDS BY ELIGIBLE NRI'S:**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the members of the Indian company in a general meeting.

NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Issue, provided the UPI facility is enabled for their NRE/ NRO accounts.

For details of restrictions on investment by NRIs, see "Restrictions on Foreign Ownership of Indian Securities" beginning on page 288 of this Red Herring Prospectus.

Participation of Eligible NRIs in the Issue shall be subject to the FEMA Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

#### **BIDS BY FPI INCLUDING FII'S:**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.



In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

#### **BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S:**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIF's.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

#### **BIDS BY HUFs:**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

**BIDS BY MUTUAL FUNDS:**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

**BIDS BY SYSTEMATICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES:**

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

**BIDS BY LIMITED LIABILITY PARTNERSHIPS:**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

**BIDS BY INSURANCE COMPANIES:**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

**BIDS UNDER POWER OF ATTORNEY:**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2,500 Lakhs (subject to applicable law) and pension

funds with a minimum corpus of ₹2,500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹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 Bid cum Application Form.
- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form
- e) Our Company in consultation with the BRLM in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the BRLM and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

#### **BIDS BY PROVIDENT FUNDS / PENSION FUNDS:**

In case of Bids made by provident funds with minimum corpus of ₹25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

#### **BIDS BY BANKING COMPANY:**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act") and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/ corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed) and (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

#### **BIDS BY SCSB'S:**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum Applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

#### **ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE ISSUE:**

- 1) Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
- 2) The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

#### **Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

#### **Terms of payment**

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

#### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, none of the bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, individual investors who applies for minimum application size applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### Payment into Escrow Account for Anchor Investors

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of resident Anchor Investors: “MEHUL COLOURS LIMITED- R”
- b. In case of Non-Resident Anchor Investors: “MEHUL COLOURS LIMITED- NR”

Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

### Electronic Registration of Applications

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 5.00 p.m. of the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - a) the applications accepted by them,
  - b) the applications uploaded by them
  - c) the applications accepted but not uploaded by them or
  - d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

| S. No. | Details* |
|--------|----------|
| 1.     | Symbol   |

|     |                   |
|-----|-------------------|
| 2.  | Intermediary Code |
| 3.  | Location Code     |
| 4.  | Application No.   |
| 5.  | Category          |
| 6.  | PAN               |
| 7.  | DP ID             |
| 8.  | Client ID         |
| 9.  | Quantity          |
| 10. | Amount            |

\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
  - Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non- individual investors who applies for minimum application size and individual investors who applies for minimum application size, applications would not be rejected except on the technical grounds as mentioned in the Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

13. The Designated Intermediaries will be given time till 5.00 p.m. on the Bid/Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **Build of the Book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Issue Period.

#### **Withdrawal of Bids**

- a) None of the bidders can neither withdraw nor lower the size of their Bids at any stage.

#### **Price Discovery and Allocation**

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalise the Issue Price and the Anchor Investor Issue Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the individual investors who applies for minimum application size category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
- f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

**Illustration of the Book Building and Price Discovery Process:** Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

| Bid Quantity | Bid Amount (₹) | Cumulative Quantity | Subscription |
|--------------|----------------|---------------------|--------------|
| 500          | 24             | 500                 | 16.67%       |
| 1,000        | 23             | 1,500               | 50.00%       |
| 1,500        | 22             | 3,000               | 100.00%      |
| 2,000        | 21             | 5,000               | 166.67%      |
| 2,500        | 20             | 7,500               | 250.00%      |

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### **Signing of Underwriting Agreement and Filing of Red Herring Prospectus/ Prospectus with RoC**

- a) Our company has entered into an Underwriting Agreement dated June 21, 2025.
- b) A copy of Red Herring Prospectus will be filed with the RoC and copy of Prospectus will be filed with RoC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after filing the Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid/Issue Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICRD Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

#### **ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS:**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

#### **GENERAL INSTRUCTIONS:**

Please note that any of the bidders are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage.

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

#### **Do's:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;



4. Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. In case of Joint bids, ensure the first bidder is the ASBA Account holder (or the UPI linked bank account holder, as the case may be) and the signature of the first bidder is included in the Bid cum Application Form;
8. QIBs, Non-Institutional Bidders and the individual investors who applies for minimum application size should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, Individual investors who apply for minimum application size may submit their bid by using UPI mechanism for payment.
9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by Individual investors who apply for minimum application size using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
17. Ensure that the category and the investor status is indicated;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;

23. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
24. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
25. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
27. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by all categories);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount less than ₹2,00,000/- (for Applications by individual investors who applies for minimum application size);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Applicant;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Bids by UPI Bidders with Bid Amount of a value of more than ₹200,000 (net of individual investors who applies for minimum application size discount);
16. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
17. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Other instructions for the Bidders**

##### **Joint Bids**

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

### **Multiple Bids**

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

### **Investor Grievance**

In case of any pre-issue or post issue related problems regarding demat credit/ refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.

### **Nomination Facility to Bidders**

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

### **Submission of Bids**

- a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b) For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the RHP.

### **GROUND OF TECHNICAL REJECTIONS**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price;
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the RHP;

- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the RHP and as per the instructions in the RHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges;
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines and approvals; and
- Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.

- c) In case of under subscription in the issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

## **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than individual investors who applies for minimum application size and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to RHP. No individual investors who applies for minimum application size will be Allotted less than the minimum Bid Lot subject to availability of shares in individual investors who applies for minimum application size Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue.

### **Flow of Events from the closure of Bidding period (T DAY) Till Allotment:**

- On T Day, RTA to validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details .
- RTA identifies cases with mismatch of account number as per bid file / FC and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection.
- Third party confirmation of applications to be completed by SCSBs on T+1 day.
- RTA prepares the list of final rejections and circulate the rejections list with BRLM(s)/ Company for their review/ comments.
- Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE).
- The DSE, post verification approves the basis and generates drawal of lots wherever applicable, through a random number generation software.
- The RTA uploads the drawal numbers in their system and generates the final list of allottees as per process mentioned below.

### **Process for generating list of Allottees: -**

- Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket /batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawal of lots provided by Designated Stock Exchange (DSE) is 3 and 5 then the system will pick every 3rd and 5th application in each of the lot of the category and these applications will be allotted the shares in that category.
- In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times.
- In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.
- On the basis of the above, the RTA will work out the allottees, partial allottees and non- allottees, prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

## **BASIS OF ALLOTMENT**

### **a. For individual investors who applies for minimum application size**

Bids received from the individual investors who applies for minimum application size at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful individual investors who applies for minimum application size will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to individual investors who applies for minimum application size 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 of face value of Rs. 10 each at or above the Issue Price, full Allotment shall be made to the individual investors who applies for minimum application size to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares of face value of Rs. 10 each at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares of face value of Rs. 10 each 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 individual investors who applies for minimum application size 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 of face value of Rs. 10 each 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 of face value of Rs. 10 each at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares of face value of Rs. 10 each and in multiples of [●] Equity Shares of face value of Rs. 10 each thereafter.

The Allocation to non-institutional investors' category shall be as follows:-

(a) one third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs;

(b) two third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹10 lakhs:

Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of non-institutional investors.”

For the method of proportionate Basis of Allotment refer below.

#### **c. For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

a) In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:

- In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
- In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
- Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

b) In the second instance Allotment to all QIBs shall be determined as follows:

- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares of face value of Rs. 10 each and in multiples of [●] Equity Shares of face value of Rs. 10 each 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 of face value of Rs. 10 each and in multiples of [●] Equity Shares of face value of Rs. 10 each 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 of face value of Rs. 10 each

#### **ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:
  - i. not more than 60% of the QIB Portion will be allocated to Anchor Investors;
  - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - a maximum number of two Anchor Investors for allocation up to ₹ 2 crores;
    - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
    - in case of allocation above twenty-five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty-five crore rupees and an additional 10 such investors for every additional twenty five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.
- b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- c) 50% of the Equity Shares Allotted to the Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, 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.

#### **d. 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

#### **e. 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.

#### **f. 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 BSE SME (SME platform of BSE) (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 of face value of Rs. 10 each the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares of face value of Rs. 10 each; 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 of face value of Rs. 10 each, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares of face value of Rs. 10 each subject to a minimum allotment of [●] equity shares of face value of Rs. 10 each.
- 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 of face value of Rs. 10 each, 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 RHP.

Individual investors who applies for minimum application size ' means an investor who applies for two lots. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director/ Managing Director of BSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

#### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.
- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 2 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

#### **Designated Date:**



On the Designated date, the SCSBs shall 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 Bid/Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

### **Instructions for Completing the Bid Cum Application Form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e., [www.bseindia.com](http://www.bseindia.com) and NSE i.e., [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e., [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com).

### **Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at BSE SME (SME platform of BSE) 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 SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### **Right to Reject Applications**

In case of QIB Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, individual investors who applies for minimum application size who applied, the Company has a right to reject Applications based on technical grounds.

### **Impersonation**

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

#### **“Any person who-**

Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

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

Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

### **Undertakings by Our Company**

We undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within three working days from Issue Closure date.

3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within three Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That our Promoter 's contribution in full has already been brought in;
6. That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, undersubscription etc.;
7. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
8. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
9. If our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Red Herring Prospectus with the Stock exchange/ RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
10. If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

#### **Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

#### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- Tripartite Agreement dated between January 30, 2025 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated March 04, 2025 between CDSL, our Company and Registrar to the Issue.

The Company's equity shares bear an ISIN No. INE1KH601014

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020 (the "FDI Policy"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

In terms of the FEMA NDI Rules, a person resident outside India may make investments into India, subject to certain terms and conditions and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the 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.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments 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 ("Restricted Investors"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. 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. 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 Issue in writing about such approval along with a copy thereof within the Issue Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not Issue, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2020, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Foreign Exchange Management. (Non-

debt Instruments) Rules, 2019. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

#### **Investment by FPIs under Portfolio Investment Scheme (PIS)**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

#### **Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

#### **Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2020, Foreign Exchange Management (Non-debt Instruments) Rules, 2019, Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no issue to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the "Prospectus Directive") has been or will be made in respect of the issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such issue made under exemptions available under the Prospectus Directive, provided that no such Issue shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Red Herring Prospectus.

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 Application 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 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 Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## **SECTION IX- MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY**

*\*This set of Articles of Association has been adopted by the members of the company at their extra-ordinary general meeting of the company way of passing of special resolution on December 02, 2024 in substitution and total exclusion of the previous set of articles of association of the company consequent to the conversion from private limited company to public limited company.*

*\*The name of the company has been changed from Mehul Colours and Masterbatches Limited to Mehul Colours Limited vide special resolution passed at the shareholder's EGM held on January 04, 2025, consequent to the change of name.*

### **Interpretation Clause**

1. In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:
  - (a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.
  - (b) "Applicable Law" means the Act and as appropriate, includes any listing regulations, rules, bye-law, guideline, policy, notification, clarification, mandatory standards or any interpretation having the force of law or any statutory amendment thereof and other regulations as applicable to a company from time to time.
  - (c) "These Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.
  - (d) "Auditors" means and includes those persons appointed as such for the time being of the Company.
  - (e) "Board of Directors" or "Board" means the collective body of the directors of the Company.
  - (f) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.
  - (g) \*"The Company" shall mean MEHUL COLOURS LIMITED.
  - (h) "Depositories Act" shall mean the Depositories Act, 1996 and includes any statutory modification thereto from time to time.  
Depositories Act
    - (i) "Depository" means a company formed and registered under the relevant applicable law and which has been granted a Certificate of Registration to act as a Depository under the Securities and Exchange Board of India Act, 1992 and as defined in the Depositories Act.
    - (j) "Executor" or "Administrator" means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.
    - (k) "Legal Representative" means a person who in law represents the estate of a deceased Member.
    - (l) "Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (LODR) and all the regulations, rules, bye-law, guideline, policy, notification, clarification, mandatory standards or any interpretation notified and issued by the Securities Exchange Board of India (SEBI), having the force of law or any statutory amendment thereof and other regulations as applicable to a company from time to time.
    - (m) Words importing the masculine gender also include the feminine gender.
    - (n) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.
    - (o) The marginal notes hereto shall not affect the construction thereof.
    - (p) "Meeting" or "General Meeting" means a meeting of members.
    - (q) "Month" means a calendar month.
    - (r) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.
    - (s) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.
    - (t) "National Holiday" means and includes a day declared as National Holiday by the Central Government.
    - (u) "Non-retiring Directors" means a director not subject to retirement by rotation.



- (v) "Office" means the registered Office for the time being of the Company.
- (w) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.
- (x) "Person" shall be deemed to include corporations and firms as well as individuals.
- (y) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.
- (z) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act.
- (aa) "Seal" means the common seal for the time being of the Company.
- (bb) "SEBI" means Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992
- (cc) "SEBI Regulations" means Securities & Exchange Board of India Act 1992 and the Regulations and Guidelines made thereunder SEBI Regulations.
- (dd) "Securities" the securities as defined in clause (h) of Section 2 of the Securities Contract (Regulation) Act, 1956 (42 or 19S6)
- (ee) "Share" means share in the Shaje Capital of the Company and includes stock except where distinction between stock and share is expressed or implied.
- (ff) "Seal" means common seal of the Company
- (gg) "Preference Share Capital" with reference to any Company Limited by shares means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to—
  - (i) payment of dividend, either as a fixed amount or an amount calculated a fixed rate, which may either be free of or subject to income-tax; and
  - (ii) repayment, in the case of a winding up or repayment of capital. of the amount of the Share capital paid-up or deemed to have been paid-up whether or not; there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company;
- (hh) "Persons" include corporations and firms as well as individuals.
- (ii) Words imparting the plural number also include, where the context requires or admits, the singular number and vice versa.
- (jj) In "writing" and "written" includes printing, lithography and other modes of representing or reproducing words in a visible form,
- (kk) Words importing the Singular number include where the context admits or requires the plural number and vice versa.
- (ll) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.
- (mm) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.
- (nn) "Variation" shall include abrogation; and "vary" shall include abrogate.
- (oo) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.

Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.

Unless the context otherwise requires, Words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof, in force at the date at which these regulations become binding on the Company.

## SHARE CAPITAL

2. The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.
3. Subject to the Provisions of the Act, the Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued

with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.

4. Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
5. The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.
6. Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.
7. The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.
8. On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect:
  - (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;
  - (b) No such Shares shall be redeemed unless they are fully paid;
  - (c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;
  - (d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and
  - (e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital. Provisions to apply on issue of Redeemable Preference Shares
9. The Company may (subject to the provisions of sections 52, 55, 66, both inclusive and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce
  - (a) the share capital;
  - (b) any capital redemption reserve account; or
  - (c) any security premium account

In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.

10. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

11. The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed there under.
12. The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.
13. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.
14. Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
15. Subject to compliance with applicable law and provision of the Act and rules framed there under the company shall have power to issue depository receipts in any foreign country.
16. Subject to compliance with applicable provision of the Act and rules framed there under the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed there under.

#### VARIATION OF RIGHTS

17. (a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.

Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.

(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.

18. Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the 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 and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any

services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.

19. The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed there under.
20. The shares in the capital shall be numbered progressively according to their several denominations and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
21. An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.
22. Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.
23. The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him, accordingly.
24. Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.
25. Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.

#### RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT

26. The Board shall observe the restrictions as regards allotment of shares to the public and as regards return on allotments contained in Sections 39 of the Act.

#### CERTIFICATES

27. (a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient

delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or by a director and a company secretary or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.

(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 and Section 46 of the Act.

(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

28. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

29. (a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations. The first named joint holder deemed Sole holder.
- (b) The Company shall not be bound to register more than three persons as the joint holders of any share.
30. (a) Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them. Company not bound to recognise any interest in share other than that of registered holders.

31. (b) Except as required by law, no person shall be recognised by the company as holding any share upon any trust and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
32. If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.

#### UNDERWRITING AND BROKERAGE

33. Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.
34. The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.

#### LIEN

35. The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.
36. For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect and the Board or such person(s) authorised by Board shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.
37. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

#### CALLS

38. (1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit,

upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.

(2) A call may be revoked or postponed at the discretion of the Board.

(3) A call may be made payable by installments.

39. Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.
40. A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.
41. Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.
42. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.
43. If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 10% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.
44. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.
45. The Board - a. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him and b. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.
46. On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books; and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

47. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided Judgment, decree, partial payment motto proceed for forfeiture.
48. (a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.
- (b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.

#### TRANSFER AND TRANSMISSION OF SHARES

49. (a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.
- (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.
50. The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form approved by the Exchange;
51. The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.
52. Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register—
- (a) any transfer of shares on which the company has a lien.
- (b) That registration of transfer shall however, not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;
53. If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice



of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.

No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.

54. The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty five days at a time and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.
55. The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Board may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.
56. Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
57. For this purpose, the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
58. (a) On the death of a Member, the survivor or survivors, where the Member was a joint holder and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares.
59. (b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.

Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate.

(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

60. The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.

61. Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.
62. Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.
63. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.
64. Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.
65. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board shall so think fit.
66. In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.
67. No transfer shall be made to any minor, insolvent or person of unsound mind.

#### FORFEITURE AND SURRENDER OF SHARES

68. If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.

69. The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Board shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid.
70. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.
71. If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.
72. When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.
73. Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.
74. Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.
75. The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.
76. A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.
77. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.
78. Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.
79. In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.

80. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
81. The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.
82. The provisions of these regulations 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.

#### NOMINATION

83. i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.
- ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014.
- iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.
- iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.
84. A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-
- (i) to be registered himself as holder of the security, as the case may be; or
  - (ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;
  - (iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;
  - (iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.
85. Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.

#### DEMATERIALISATION OF SHARES

86. (a) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its Securities and to offer Securities in a dematerialized form pursuant to the provisions of the Depositories Act, 1996 and the regulations and rules framed thereunder or otherwise.
- (b) The words and expression used in this chapter shall have the same meaning and expression as defined in Depositories Act.
- (c) The register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, 1996, shall be deemed to be the corresponding register and index for the purpose of the Act.
- (d) Every person holding securities of the Company and/or subscribing to securities offered by the Company hereafter shall have the option to hold/receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.
- (e) All securities held by a Depository shall be dematerialized and be in a fungible form.
87. (i) Nothing anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- (ii) Save as otherwise provided in (i) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company.
- (iv) The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a Depository.

#### JOINT HOLDER

88. Where two or more persons are registered as the holders of any share, they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.
89. (a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
- (b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;
- (c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and
- (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 delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.

## SHARE WARRANTS

90. The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.
91. (a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.
- (b) Not more than one person shall be recognized as depositor of the Share warrant.
- (c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.
92. (a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.
- (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant and he shall be a Member of the Company.
93. The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

## BORROWING POWERS

94. Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, anybody corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company ,free reserves(that is to say reserves not set apart for any specified purpose) and Securities Premium.
95. Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.
96. The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government

or third party and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be. Securing payment or repayment of Moneys borrowed.

97. Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.
98. If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.
99. Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

#### ALTERATION OF CAPITAL

100. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
101. Subject to the provisions of section 61 of the Act, the Company may, by ordinary resolution,
- a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - b) convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination;
  - c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum;
  - d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
102. The Company may, by special resolution, reduce in any manner and with and subject to, any incident authorised and consent required by law,
- a) its share capital;
  - b) any capital redemption reserve account; or
  - c) any share premium account.

#### CONVERSION OF SHARES INTO STOCK

103. Subject to the provisions of the Act, the Company may, by ordinary resolution in General Meeting.
- (a) convert any fully paid-up shares into stock; and
  - (b) re-convert any stock into fully paid-up shares of any denomination.
104. The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

105. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
106. Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words “share” and “shareholders” in those regulations shall include “stock” and “stockholders” respectively.

#### CAPITALIZATION

107. (1) The Company in General Meeting may, upon the recommendation of the Board, resolve:
- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:
- (i) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or
  - (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).
- (3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
108. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —
- (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any and
  - (b) generally, to do all acts and things required to give effect thereto.
- (2) The Board shall have full power -
- (a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also
  - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.
- (3) Any agreement made under such authority shall be effective and binding on all such members.
- (4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.



109. (1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.

(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.

110. a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

#### BUY-BACK OF SHARES

111. Notwithstanding anything contained in these Articles but subject to the provisions of sections 68 to 70 of the Act and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

#### MEETINGS OF MEMBERS

112. (a) (i) In accordance with the provisions of Section 96 of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings.

(ii) Further, subject to the provisions of the Act, not more than 15 (fifteen) months' gap shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 (1) of the Act to extend the time within which any Annual General Meeting may be held.

(iii) Every Annual General Meeting shall be called during business hours as specified under the Act or Rules on a day that is not a national holiday and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

(iv) Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.

(b) All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.

(c) The quorum for general meeting shall be as prescribed in the Act.

#### QUORUM FOR GENERAL MEETING

113. (a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members.
- (b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors. When a Director or any two Members may call an Extra- Ordinary General Meeting
114. No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.
115. The Chairperson or Chairman, if any, of the Board shall preside as Chairperson at every general meeting of the Company and in his absence any other Director of the Company or such other person as may be nominated /appointed by the Chairman and/or Board of Directors.
116. The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.
117. No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.
118. a) The Chairperson may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- d) Save as aforesaid and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
119. In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.
120. Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith. In what case poll taken without adjournment.
121. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

#### VOTES OF MEMBERS

122. No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in

his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.

123. Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present and to speak and to vote at such meeting and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.
124. On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
125. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.
126. Notwithstanding anything contained in the provisions of the Companies Act, 2013 and the Rules made there under, the Company may and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.
127. The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the Listing Regulations or any other Law, if applicable to the Company. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
128. a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.  
  
b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
129. Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles    Votes may be given by proxy or by representative.
130. A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.

131. (a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.
- (b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken. Members not prohibited if share not held for any specified period.
132. Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof. Votes in respect of shares of deceased or insolvent members.
133. No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a Body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.
134. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
135. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
136. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.
137. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.
138. Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive. Chairperson of the Meeting to be the judge of validity of any vote.

#### BOARD OF DIRECTORS

- 139.(a) Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen.

Provided that a company may appoint more than fifteen directors after passing a special resolution.

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 of the Company.

The first Directors of the Company shall be:

1. Shri. Pravinchandra G. Joshi
2. Smt. Usha Pravinchandra Joshi
3. Shri. Mehul Pravinchandra Joshi

(b) A person shall not be eligible for appointment as a Director of the Company if he incurs any of the disqualifications as set out in Section 164 and other relevant provisions of the Act. Further, on and after being appointed as a Director, the office of a Director shall ipso facto be vacated on the occurrence of any of the circumstances under section 167 and other relevant provisions of the Act.

(c) Subject to the provision of the Act, a Director may resign from his office by giving a notice in writing to the Company and Board shall take a note on that.

Provided that the provisions regarding the Managing Director or a Whole time Director or a Executive Director shall be governed by such terms of their employment or such other terms elsewhere in article.

(d) Subject to the applicable provisions of the Act, the resignation of a director shall take effect from the date on which the notice is received by the company or the date, if any, specified by the director in the notice, whichever is later.

140. A Director of the Company shall not be bound to hold any Qualification Shares in the Company.

141. (a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement.

142. (b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.

143. (c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.

144. (d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.

145. The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

146. Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.

147. Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him. Directors power to fill casual vacancies.
148. (a) Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director of the Company may be paid a remuneration either by way of monthly or by way of commission, if the company by resolution authorise such payment.
- (b) Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.
149. The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.

#### PROCEEDING OF THE BOARD OF DIRECTORS

150. (a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit.  
(b) A director may and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
151. a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.
152. b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.
153. Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote. Questions at Board meeting how decided.
154. 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. Continuing directors may act notwithstanding any vacancy in the Board.
155. Subject to the provisions of the Act and SEBI Regulations, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

156. The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.
157. a) A committee may elect a Chairperson of its meetings.  
b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
158. a) A committee may meet and adjourn as it thinks fit.  
b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present and in case of an equality of votes, the Chairperson shall have a second or casting vote.
159. Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director. Acts of Board or Committee shall be valid notwithstanding defect in appointment.

#### RETIREMENT AND ROTATION OF DIRECTORS

160. In accordance with the provisions of the act, person(s) whose office is liable to determination by retirement of directors by rotation ("the Rotational Directors"). A retiring Director shall be eligible for re-election.
161. Subject to the provisions of the Act, the Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.
162. Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.

#### POWERS OF THE BOARD

163. The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However, no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
164. Subject to the provision of the Act and Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say Certain powers of the Board:

2. Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.
3. Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.
4. To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.
5. At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
6. To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.
7. To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.
8. To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.
9. To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.
10. To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.
11. To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon. To conduct legal proceedings.
12. To act on behalf of the Company in all matters relating to bankruptcy insolvency. Bankruptcy & Insolvency.



13. To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.
14. Subject to the provisions of the Act and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.
15. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;
16. To determine from time-to-time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.
17. To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.
18. To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.
19. To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depredation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.
20. To appoint and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.

21. At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.
22. Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
23. From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.
24. To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.
25. To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests. To apply and obtain concessions licenses etc.
26. To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.
27. To redeem preference shares.
28. To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise. To assist charitable or benevolent institutions.
29. To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
30. To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.
31. To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and

from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.

32. To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.
33. To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.
34. From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.
35. To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.
36. To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.
37. To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.
38. Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.
39. To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.

#### MANAGING AND WHOLE-TIME DIRECTORS

165. (a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

(b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.

166. Subject to the provisions of the Act, the Rules, Applicable Law including the provisions of the SEBI Regulations, the remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.
167. (1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.
- (2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit and may confer such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of and in substitution for, all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers.
- (3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles.
- (4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.
- (5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR  
CHIEF FINANCIAL OFFICER

168. a) Subject to the provisions of the Act, —
- i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
  - ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
- b) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer. Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer.

THE SEAL

169. (a) The Board shall provide a Common Seal for the purposes of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Board shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.

(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.

170. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### DIVIDEND AND RESERVES

171. (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

(4) The Company shall declare and disclose dividend on per share basis only.

172. The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.

173. a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.

b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

174. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

175. The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

176. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.

177. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.
178. The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.
179. No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.
180. A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.
181. Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.
182. a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
183. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
184. No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.

## ACCOUNTS

- 185.
- i. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being Directors.
  - ii. No member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in its general meeting.

## FOREIGN REGISTER

186. The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.

## DOCUMENTS AND SERVICE OF NOTICES

187. Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.
188. Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.

#### WINDING UP

189. Subject to the provisions of Chapter XX of the Act and rules made thereunder—
- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
  - (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

190. Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.
191. Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

#### SECRECY

- 186 . (a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.



## **SECTION X – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Red Herring Prospectus, delivered to the Registrar of Companies, for filing. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the registered office between 10 A.M. and 5 P.M. on all Working Days from the date of this Red Herring Prospectus until the Issue Closing Date.

#### **Material Contracts**

1. Agreement dated March 20, 2025 between our Company and the Book Running Lead Manager to the Issue.
2. Agreement dated March 20, 2025 executed between our Company and the Registrar to the Issue.
3. Banker to the Issue Agreement dated July 14, 2025 among our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated June 21, 2025 between our Company, Book Running Lead Manager and Market Maker.
5. Underwriting Agreement dated June 21, 2025 between our Company, Book Running Lead Manager and Underwriter.
6. Syndicate Agreement dated June 21, 2025 between our Company, Book Running Lead Manager and Syndicate Member.
7. Tripartite Agreement dated March 04, 2025 among CDSL, the Company and the Registrar to the Issue.
8. Tripartite Agreement dated January 30, 2025 among NSDL, the Company and the Registrar to the Issue.

#### **Material Documents**

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated December 12, 1995 issued by the Registrar of Companies, Bombay.
3. Fresh Certificate of Incorporation consequent upon conversion to public company dated December 16, 2024, issued by Registrar of Companies, Central Processing Centre.
4. Fresh Certificate of Incorporation consequent upon name change from Mehul Colours and Masterbatches Limited to Mehul Colours Limited dated January 09, 2025, issued by Registrar of Companies, Central Processing Centre.
5. Copy of the Board Resolution dated March 12, 2025 authorizing the Issue and other related matters.
6. Copy of Shareholder's Resolution dated March 13, 2025 authorizing the Issue and other related matters.
7. Copies of Audited Financial Statements of our Company for the Financial year ended on March 31, 2025, March 31, 2024 and March 31, 2023.
8. Statutory Auditors Report dated July 16, 2025 on the Restated Financial Statements for the Financial year ended on March 31, 2025, March 31, 2024 and March 31, 2023.
9. Copy of the Statement of Tax Benefits dated July 17, 2025 from the Statutory Auditor.
10. Site Visit report prepared by the Book Running Lead Manager dated November 20, 2024
11. Certificate on KPI's issued by Peer Review Auditor dated July 17, 2025
12. Consents of the Book Running Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Syndicate Member, Banker to the Issue/ Sponsor Bank, Statutory Auditor of the Company, Independent Chartered Engineer, Independent Chartered Accountant, Peer Review Auditor, Bankers to our Company, Promoters, Directors, Company Secretary and Compliance Officer and Chief Financial Officer, as referred to, in their respective capacities.
13. Board Resolution dated March 28, 2025 for approval of Draft Red Herring Prospectus, dated July 23, 2025 for approval of Red Herring Prospectus and dated [●] for approval of Prospectus.
14. Due Diligence Certificate from Book Running Lead Manager dated March 28, 2025.
15. Approval from BSE vide letter dated July 01, 2025 to use the name of BSE in the Prospectus for listing of Equity Shares on the BSE SME(SME Platform) of the BSE.

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

#### **SIGNED BY THE MANAGING DIRECTOR OF OUR COMPANY:**

| <b>Name and Designation</b>                                                | <b>Signature</b> |
|----------------------------------------------------------------------------|------------------|
| Mehul Pravinchandra Joshi<br>Chairman & Managing director<br>DIN: 00178766 | Sd/-             |

Date: July 23, 2025  
Place: Mumbai, Maharashtra

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

#### **SIGNED BY THE WHOLE-TIME DIRECTOR AND CFO OF OUR COMPANY:**

| <b>Name and Designation</b>                                | <b>Signature</b> |
|------------------------------------------------------------|------------------|
| Bhakti Mehul Joshi<br>Whole-Time Director<br>DIN: 02376755 | Sd/-             |

Date: July 23, 2025  
Place: Mumbai, Maharashtra

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

#### **SIGNED BY THE NON-EXECUTIVE DIRECTOR OF OUR COMPANY:**

| <b>Name and Designation</b>                                      | <b>Signature</b> |
|------------------------------------------------------------------|------------------|
| Hiral Rasikbhai Joshi<br>Non-Executive Director<br>DIN: 10998386 | Sd/-             |

Date: July 23, 2025  
Place: Mumbai, Maharashtra.

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

#### **SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY:**

| <b>Name and Designation</b>                               | <b>Signature</b> |
|-----------------------------------------------------------|------------------|
| Jyoti Abhay Jain<br>Independent Director<br>DIN: 07921550 | Sd/-             |

Date: July 23, 2025  
Place: Mumbai, Maharashtra

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

#### **SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY:**

| <b>Name and Designation</b>                                    | <b>Signature</b> |
|----------------------------------------------------------------|------------------|
| Khyati Chetan Ghandhi<br>Independent Director<br>DIN: 02781483 | Sd/-             |

Date: July 23, 2025  
Place: Mumbai, Maharashtra

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

#### **SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:**

| <b>Name and Designation</b>                      | <b>Signature</b> |
|--------------------------------------------------|------------------|
| Rashmi Rajendra Parab<br>Chief Financial Officer | Sd/-             |

Date: July 23, 2025

Place: Mumbai, Maharashtra

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

#### **SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY:**

| <b>Name and Designation</b>                                    | <b>Signature</b> |
|----------------------------------------------------------------|------------------|
| Shilpa Karan Mehta<br>Company Secretary and Compliance Officer | Sd/-             |

Date: July 23, 2025  
Place: Mumbai, Maharashtra.