



## DUCOL ORGANICS AND COLOURS LIMITED

**Corporate Identification Number: U24239MH1994PLC079015**

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
Office No 302, Express Building, 14-E Road, Churchgate, Mumbai – 400020, Maharashtra, India	Plot No. 22/2, Taloja, Taluka Panvel, Raigad, Maharashtra India	Sabina Bee Qureshi, Company Secretary and Compliance Officer	<b>E-mail:</b> ipo@ducol.com <b>Tel:</b> +91 22 4608 2353	www.ducol.com

### PROMOTERS: AAMER AHMED FARID AND HANI AHMED FARID

#### DETAILS OF ISSUE TO PUBLIC

Type	Fresh Issue Size	Total Issue Size	Eligibility
Fresh Issue	40,40,000 Equity Shares at the Issue Price of ₹ 78 each aggregating ₹ 3,151.20 Lakhs	40,40,000 Equity Shares at the Issue Price of ₹ 78 each aggregating ₹ 3,151.20 Lakhs	This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended. The Issue is being made pursuant to Regulation 229 (2) of SEBI (ICDR) Regulations, as the Company's post issue paid up capital is more than ₹ 10.00 Crore and less than ₹ 25.00 Crore.

#### RISKS IN RELATION TO FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10/- each and the Issue Price of ₹ 78 is 7.80 times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under “Basis for Issue Price” beginning on page no. 63 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

#### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the 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 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 contents of this Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 16.

#### ISSUER'S ABSOLUTE RESPONSIBILITY

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

#### LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of National Stock Exchange of India Limited (“NSE”). For the purposes of this Issue, NSE is the Designated Stock Exchange.

#### LEAD MANAGER TO THE ISSUE

#### REGISTRAR TO THE ISSUE

	
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Name of Book Running Lead Manager to the Offer:  First Overseas Capital Limited	Name of Contact Person: Satish Sheth / Mala Soneji  Tel No.: +91 22 4050 9999 Email: satish@focl.in / mala@focl.in	Name of Registrar to the Issue:  Bigshare Services Private Limited	Name of Contact Person: Babu Rapheal  Tel: +91 22 6263 8200 Email: ipo@bigshareonline.com
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#### BID/ISSUE PROGRAMME

ISSUE OPENS ON:	Monday, January 09, 2023
ISSUE CLOSES ON:	Wednesday, January 11, 2023



## DUCOL ORGANICS AND COLOURS LIMITED

*Our Company was originally incorporated as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra dated June 16, 1994 with the name 'Ducol Organics & Colours Private Limited'. Our Company was converted into a public limited company and the name of our Company was changed to 'Ducol Organics And Colours Limited' by a special resolution passed on June 20, 2022. A fresh Certificate of Incorporation consequent upon conversion was issued on July 1, 2022 by the Registrar of Companies, Maharashtra. For further details of our Company, see "General Information" and "History and Certain Other Corporate Matters" on pages 39 and 85, respectively.*

**Registered Office:** Office No 302, Express Building, 14-E Road, Churchgate, Mumbai – 400020, Maharashtra, India

**Corporate Office:** Plot No. 22/2, Taloja, Taluka Panvel, Raigad, Maharashtra India

**Tel:** +91 22 4608 2353; **Website:** [www.ducol.com](http://www.ducol.com); **E-mail:** [ipo@ducol.com](mailto:ipo@ducol.com)

**Contact Person:** Sabina Bee Qureshi, Company Secretary and Compliance Officer

### PROMOTERS: AAMER AHMED FARID AND HANI AHMED FARID

**PUBLIC ISSUE OF 40,40,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH OF DUCOL ORGANICS AND COLOURS LIMITED ("OUR COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE OF ₹78.00 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹68.00 PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO ₹3,151.20 LAKHS ("THE ISSUE"). OF THE ISSUE, 4,01,600 EQUITY SHARES AGGREGATING TO ₹313.25 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 36,38,400 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH AT AN ISSUE PRICE OF ₹78.00 PER EQUITY SHARE AGGREGATING TO ₹2,837.95 LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.79% AND 25.02%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" ON PAGE 169 OF THE PROSPECTUS.**

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10.00 EACH AND THE ISSUE PRICE OF ₹78.00 IS 7.80 TIMES OF THE FACE VALUE**

**THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED. IN TERMS OF RULE 19(2)(b) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR AT LEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 253 OF THE SEBI (ICDR) REGULATIONS, AS AMENDED. FOR FURTHER DETAILS, SEE "ISSUE PROCEDURE" ON PAGE 177 OF THE PROSPECTUS.**

All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details of the irrespective bank accounts and / or UPI IDs, in case of UPI Applicants (Individual investors) applying through UPI mechanism, if applicable, which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. A copy will be delivered for registration to the Registrar of Companies as under Section 26 of the Companies Act, 2013. For details in this regard, specific attention is invited to "Issue Procedure" on page 177. A copy of the Prospectus will be delivered for registration to the Registrar of companies as required under Section 26 of the Companies Act, 2013.

### RISKS IN RELATION TO FIRST ISSUE

This being the first issue of the Issuer, there has been no formal market for the securities of our Company. The face value of the Equity Shares of our Company is ₹10.00. The Issue Price should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company 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 investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. **Specific attention of the investors is invited to 'Risk Factors' on page 16.**

### ISSUER'S ABSOLUTE RESPONSIBILITY

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

### LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of National Stock Exchange of India Limited ("NSE Emerge"). Our Company has received the approval letter dated December 27, 2022 from NSE for using its name in the offer document for listing of our shares on the Emerge Platform of NSE. For the purpose of this Issue, the Designated Stock Exchange will be NSE.

#### LEAD MANAGER TO THE ISSUE



#### **FIRST OVERSEAS CAPITAL LIMITED**

1-2 Bhupen Chambers, Dalal Street, Fountain, Mumbai – 400 001, Maharashtra, India.

**Tel No.:** +91 22 4050 9999

**Fax No.:** +91 22 4050 9900

**Email:** [satish@focl.in](mailto:satish@focl.in) / [mala@focl.in](mailto:mala@focl.in)

**Investor Grievance Email:** [investorcomplaints@focl.in](mailto:investorcomplaints@focl.in)

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

**SEBI Registration No:** INM000003671

**Contact Person:** Satish Sheth / Mala Soneji

#### REGISTRAR TO THE ISSUE



#### **Bigshare Services Private Limited**

Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai – 400 093, Maharashtra, India

**Telephone:** +91 22 6263 8200

**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)

**Investor grievance email:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)

**Contact Person:** Babu Rapheal

**SEBI Registration No.:** INR000001385

### ISSUE PROGRAMME

**ISSUE OPENS ON:** Monday, January 09, 2023

**ISSUE CLOSES ON:** Wednesday, January 11, 2023

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## SECTION I – GENERAL DEFINITIONS AND ABBREVIATIONS

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

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

*Notwithstanding the foregoing in ‘Main Provisions of the Articles of Association’, ‘Summary of Our Business’, ‘Our Business’, ‘Risk Factors’, ‘Industry Overview’, ‘Key Regulations and Policies in India’, ‘Financial Information’, “Outstanding Litigation and Material Developments” and “Part B” of “Issue Procedure”, defined terms , will have the meaning ascribed to such terms in these respective sections.*

### Company Related Terms

<b>Term</b>	<b>Description</b>
“Ducol Organics And Colours Limited”, “Ducol”, “We” or “us” or “our Company” or “the Issuer”	Unless the context otherwise requires, refers to Ducol Organics And Colours Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at Office No 302, Express Building, 14-E Road, Churchgate, Mumbai – 400020, Maharashtra, India.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, our Company.
“you”, “your” or “yours”	Prospective investors in this Issue
AOA/Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Regulation 18 of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014
Board/ Board of Directors / Our Board	The Board of Directors of our Company, including all duly constituted Committees thereof.
Compliance Officer	The Company Secretary of our Company, being Sabina Bee Qureshi, Company Secretary and Compliance Officer.
Corporate Office	Office of our Company situated at Plot No. 22/2, Taloja, Taluka Panvel, Raigad, Maharashtra India.
Director(s)	Director(s) on the Board of our Company, as appointed from time to time, unless otherwise specified.
Equity Shareholders	The holders of the Equity Shares
Equity Shares/Shares	The equity shares of our Company of a face value of ₹10.00 each unless otherwise specified in the context thereof
Group Companies / Group Entities	Such companies as covered under the applicable accounting standards, being Accounting Standard 18 or other entities as considered material in accordance with the Materiality Policy, as described in “Our Group Entities” on page 103.
Key Management Personnel / KMP	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI (ICDR) Regulations, Section 2(51) of the Companies Act, 2013. For details, please refer “Our Management” on page 88.
Materiality Policy	A policy adopted by our Company, in its Board meeting held on September 5, 2022 for identification of group companies, material creditors and material litigations.
MoA / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Peer Reviewed Auditor	The independent peer reviewed Auditor of our Company M/s. Choudhary Choudhary & Co., Chartered Accountants

Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(zb) of the SEBI (ICDR) Regulations.
Promoters	Aamer Ahmed Farid And Hani Ahmed Farid
Registered Office	The registered office of our Company situated at Office No 302, Express Building, 14-E Road, Churchgate, Mumbai – 400020, Maharashtra, India.
Registrar of Companies / ROC	Registrar of Companies, Mumbai Maharashtra
Restated Summary Statements	Audited restated summary statements of assets and liabilities as at September 30, 2022, March 31, 2022, 2021 and 2020 and audited restated summary statements of profits and losses and cash flows for the 6 months period ended September 30, 2022 financial years ended March 31, 2022, 2021 and 2020 of the Company.
Statutory Auditor	The Statutory Auditor of our Company, being M/s. Choudhary Choudhary & Co., Chartered Accountants.

### Issue Related Terms

Term	Description
Acknowledgement Slip	The slip, document or counter foil issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form.
Allot / Allotment /Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.
Allottee	A successful Applicant to whom the Equity Shares are Allotted.
Applicant	Any prospective investor who makes an application pursuant to the terms of the Prospectus and the Application Form.
Application	An indication to make an offer during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations.
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Application Form	The form in terms of which an Applicant shall make an Application and which shall be considered as the application for the Allotment pursuant to the terms of the Prospectus.
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by an Applicant authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB and will include amounts blocked by SCSB upon acceptance of UPI Mandate Request by UPI Applicants using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Applicants for blocking the Bid Amount mentioned in the ASBA Form and will include amounts blocked by SCSB upon acceptance of UPI Mandate Request by UPI Applicants using the UPI Mechanism.
ASBA Applicant(s)	Any prospective investors in this Issue who applies for Equity Shares of our Company through the ASBA process in terms of the Prospectus.
Bankers to the Issue/ Public Issue Bank	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being Axis Bank Limited.
Banker to the Issue Agreement	Agreement to be entered into amongst the Company, LM, the Registrar, Sponsor Bank, and the Banker of the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, described in “Issue Procedure” on page 177.
Broker Centres	Broker centres notified by the Stock Exchange, where the Applicants can submit the Application Forms to a Registered Broker. The details of such broker centres, along with the name and contact details of the Registered Brokers, are available on the website of NSE on the following link <a href="http://www.nseindia.com">www.nseindia.com</a> .
Broker to the Issue	All recognized members of the stock exchange would be eligible to act as the Broker to the Issue.
CAN / Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Applicant who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.

Term	Description
Client ID	Client identification number of the Applicant's beneficiary account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Collection Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The details of the Applicants including the Applicants' address, names of the Applicants' father/husband, investor status, occupations, and bank account details.
Depository /Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996.
Depository Participant / DP	A depository participant as defined under the Depositories Act.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ).
Designated Date	The date on which the amounts blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account or unblock such amounts, as appropriate in terms of the Prospectus.
Designated Intermediaries / Collecting Agent	An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated Market Maker / Market Maker	In our case, BHH Securities Private Limited.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ).
Designated SCSB Branches	Such branches of the SCSBs which collected the ASBA Application Form from the applicants 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> or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	National Stock Exchange of India Limited.
Draft Prospectus / DP	The Draft Prospectus dated November 16, 2022, filed with National Stock Exchange of India Limited.
Eligible NRI	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value Rs. 10/- each
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible QFI	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened dematerialised accounts with SEBI registered qualified depositary participants as QFIs and are deemed as FPIs under the SEBI FPI Regulations.
First Applicant	The Applicant whose name appears first in the Application Form or the Revision Form.
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by the SEBI and (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018.

<b>Term</b>	<b>Description</b>
Issue / Public issue / Issue size / Initial Public issue / Initial Public Offer / Initial Public Offering / IPO	Public issue of 40,40,000 Equity Shares of face value of ₹10.00 each of our Company for cash at a price of ₹78 per Equity Share (including a share premium of ₹68 per Equity Share) aggregating to ₹3,151.20 lakhs by our Company, in terms of this Prospectus.
Issue Agreement / MoU	The agreement dated November 14, 2022 entered into amongst our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	The date on which the Issue closes for subscription. In this case being January 11, 2023
Issue Opening Date	The date on which the Issue opens for subscription. In this case being January 09, 2023
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which prospective Applicants can submit their Applications, including any revisions thereof.
Issue Price	The price at which Equity Shares are being issued by our Company being ₹78 per Equity Share.
Lead Manager / LM	The lead manager to the Issue, in this case being First Overseas Capital Limited.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the SME Platform of NSE (NSE Emerge).
Market Maker Reservation Portion	4,01,600 Equity Shares of ₹10.00 each at ₹78 per Equity Share aggregating to ₹313.25 lakhs reserved for subscription by the Market Maker.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 36,38,400 Equity Shares of face value of ₹10.00 each at an Issue Price of ₹78 per equity share aggregating to ₹2,837.95 lakhs.
Net Proceeds	Proceeds of the Issue that will be available to our Company, which shall be the gross proceeds of the Issue less the issue expenses.
Non-Institutional Investors / NIIs	All Applicants, including Category III FPIs that are not QIBs or Retail Individual Investors who have made Application for Equity Shares for an amount of more than ₹2,00,000 (but not including NRIs other than Eligible NRIs).
NSE SME/ NSE Emerge	The SME platform of National Stock Exchange of India Limited, approved by SEBI as an SME Exchange for listing of equity shares Issued under Chapter IX of the SEBI (ICDR) Regulations, 2018.
Prospectus	The Prospectus to be filed with the RoC for this Issue in accordance with the provisions of Section 26 of the Companies Act, 2013 and the SEBI (ICDR) Regulations, including any addenda or corrigenda thereto.
Public Issue Account	The account to be opened with the Banker to the Issue under Section 40 of the Companies Act, 2013 to receive monies from the ASBA Accounts on the Designated Date.
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations.
Refund Account(s)	Accounts to which the monies to be refunded to the Applicants is transferred from the Public Issue Account in case listing of the Equity Shares does not occur.
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals.
Registrar Agreement	The Agreement between the Registrar to the Issue and the Issuer Company dated September 28, 2022, 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 to the Issue	The Registrar to the Issue being Bigshare Services Private Limited.
Retail Individual Investors/ RIIs	Applicants (including HUFs, in the name of Karta and Eligible NRIs) whose Application Amount for Equity Shares in the Issue is not more than ₹2,00,000/-.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable.
Self Certified Syndicate Banks or SCSBs	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
SME Platform of NSE / SME Exchange / Stock Exchange / NSE SME / NSE Emerge	The SME platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations.

Term	Description
Sponsor Bank	Axis Bank Limited, being a Banker to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs into the UPI, and carry out other responsibilities, in terms of the SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 issued by SEBI
Underwriters	First Overseas Capital Limited and BHH Securities Private Limited
Underwriting Agreement	The agreement dated December 20, 2022 entered into among the Underwriter and our Company.
UPI	Unified payments interface, which is an instant payment mechanism, developed by NPCI
UPI Applicants	Collectively, individual investors applying as Retail Individual Investors in the Retail Portion, and Other than retail individual investors applying with an application size of more than ₹ 200,000 and up to ₹ 500,000 in the Other than Retail Investors category and applying under the UPI Mechanism.  Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the application form submitted with: (i) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (ii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iii) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI ID	ID created on the UPI for single-window mobile payment system developed by NPCI
UPI ID Linked Bank Account	Account of the RIIs, applying in the issue using the UPI mechanism, which will be blocked upon accepting the UPI mandate to the extent of the appropriate application amount and subsequent debit of funds in the case of allotment.
UPI Mandate Request	A request (intimating the UPI Applicants by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI mobile application) to the UPI Applicants initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to application Amount and subsequent debit of funds in case of Allotment
UPI mechanism	The mechanism using UPI that may be used by UPI Applicants to make an application in the issue in accordance with the SEBI Circulars
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI Regulations.
Working Day(s)	“Working Day” means all days on which commercial banks in Mumbai are open for business. However, in respect of - (a) announcement of Price Band; and (b) Issue period, working day shall mean all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business; (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

Term	Description
ASSOCHAM	The Associated Chambers of Commerce of India
BCG	Boston Consulting Group
GDP	Gross Domestic Product
GVA	Gross Value Added
IBEF	Indian Brand Equity Foundation
M&A	Mergers and Acquisitions
MT	Million Tonnes
MUDRA	Micro Units Development and Refinance Agency
NASSCOM	The National Association of Software and Service Companies
PE	Private Equity

## Conventional and General Terms and Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
Authorised Dealers	Authorised Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000
AY	Assessment Year
B. A.	Bachelor of Arts
B.Com	Bachelor of Commerce
Banking Regulation Act	Banking Regulation Act, 1949
Bn	Billion
Breeding Rules	Breeding of and Experiments on Animals (Control and Supervision) Rules, 1998
BSE	BSE Limited (formerly known as Bombay Stock Exchange Limited)
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investor(s)	FPIs registered as Category I Foreign Portfolio Investors under the SEBI FPI Regulations.
Category II Foreign Portfolio Investor(s)	An FPI registered as a category II foreign portfolio investor under the SEBI FPI Regulations
Category III Foreign Portfolio Investor(s)	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CBEC	Central Board of Excise and Customs
CDSL	Central Depository Services (India) Limited
Central Sales Tax Act	Central Sales Tax Act, 1956
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Company Identification Number
CIT	Commissioner of Income Tax
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Companies Act 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications, and modifications thereunder
Consolidated FDI Policy	The current consolidated FDI Policy, effective from June 7, 2016, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
Copyright Act	The Copyright Act, 1957
CSR	Corporate Social Responsibility
Depositories Act	Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP	Depository Participant
DP ID	Depository Participant's identity number
DTC	Direct Tax Code, 2013
ECS	Electronic Clearing System

<b>Term</b>	<b>Description</b>
EGM	Extraordinary General Meeting
Environment Protection Act	Environment Protection Act, 1986
EPF Act	Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
F&NG	Father and Natural Guardian
F&O	Futures and Options
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA 20	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII(s)	Foreign Institutional Investors as defined under SEBI FPI Regulations
Financial Year / Fiscal / Fiscal Year / FY	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FIPB	Foreign Investment Promotion Board
FMC	Forward Market Commission
FOB	Free on Board
Foreign Portfolio Investor or FPIs	A foreign portfolio investor, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
FTA	The Foreign Trade (Development and Regulation) Act, 1992
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI/Government	Government of India
Hazardous Wastes Rules	Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
HUF(s)	Hindu Undivided Family(ies)
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India
INR or Rupee or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
IPO	Initial Public Offering
ISIN	International Securities Identification Number
ISO	International Standards Organization
KMP	Key Managerial Personnel
KW	Kilo Watt
LIBOR	London interbank offered rate
Ltd.	Limited
M. A	Master of Arts
M. Com.	Master of Commerce
M.B.A	Master of Business Administration
MAPIN	Market Participants and Investors' Integrated Database
Maternity Benefit Act	Maternity Benefit Act, 1961
MCA	The Ministry of Corporate Affairs, GoI
MCI	Ministry of Commerce and Industry, GoI
Minimum Wages Act	Minimum Wages Act, 1948
Mn	Million
MoEF	Ministry of Environment and Forests

Term	Description
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NA	Not Applicable
NAV	Net asset value
NIFTY	National Stock Exchange Sensitive Index
NLEM 2011	National List of Essential Medicines – 2011
No.	Number
Non-Resident	A person resident outside India, as defined under FEMA Regulations
Non-Resident Indian/ NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations, as amended
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NPV	Net Present Value
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes a Non-resident Indian
NRE Account	Non-Resident External Account established and operated in accordance with the FEMA
NRO Account	Non-Resident Ordinary Account established and operated in accordance with the FEMA
NSDL	National Securities Depository Limited
NWR	Negotiable Warehouse Receipt
OCB	Overseas Corporate Bodies
Overseas Corporate Body / OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. <b>OCBs are not allowed to invest in this Issue.</b>
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent account number
PAT	Profit after tax
Patents Act	Patents Act, 1970
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
PCA Act	Prevention of Cruelty to Animals Act, 1960
PIL	Public Interest Litigation
PPP	Public private partnership
Pvt./P)	Private
QFI(s)	Qualified Foreign Investor(s) as defined under the SEBI FPI Regulations
RBI	The Reserve Bank of India
RoC or Registrar of Companies	The Registrar of Companies, Maharashtra
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI (ICDR) Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time

<b>Term</b>	<b>Description</b>
SEBI (Venture Capital) Regulations	Securities and Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
Sec.	Section
SENSEX	Bombay Stock Exchange Sensitive Index
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SITP	Scheme for integrated textile parks
SME	Small and Medium Enterprise
SSI	Small Scale Industry
STT	Securities Transaction Tax
TPH	Tonnes per hour
Trademarks Act	The Trademarks Act, 1999
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	The United States Securities Act, 1933
US\$ or USD or US Dollar	United States Dollar, the official currency of the United States of America
USA or U.S. or US	United States of America
VCF	Venture Capital Funds
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
Wages Act	Payment of Wages Act, 1936
Workmen's Compensation Act	Workmen's Compensation Act, 1923

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

### Certain Conventions

In this Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Ducol Organics And Colours Limited” and “BMTL”, unless the context otherwise indicates or implies, refers to Ducol Organics And Colours Limited. All references in this Prospectus to “India” are to the Republic of India. All references in this Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

### Financial Data

Unless stated otherwise, the financial data in this Prospectus is derived from our audited financial statements for the 6 months period ended September 30, 2022 and financial years ended March 31, 2022, 2021 and 2020, prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations which are included in this Prospectus, and set out in ‘*Financial Statements*’ on page 108. 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, so all references 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 the Indian GAAP, the International Financial Reporting Standards (the “IFRS”) and the Generally Accepted Accounting Principles in the United States of America (the “U.S. GAAP”). Accordingly, the degree to which the financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, the Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations on the financial disclosures presented in this Prospectus should accordingly be limited. We have not attempted to quantify the impact of the IFRS or the U.S. GAAP on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those under the U.S. GAAP or the IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Certain figures contained in this Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points, except for figures in percentage. 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. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Prospectus as rounded-off to such number of decimal points as provided in such respective sources.

### Currency and units of presentation

In this Prospectus, unless the context otherwise requires, all references to (a) ‘Rupes’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India; (b) ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America. All references to the word ‘Lakh’ or ‘Lac’ or ‘Lacs’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten lakhs’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’. Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operation*” and elsewhere in this Prospectus, unless otherwise indicated, have been calculated based on our Restated Financial Statement.

### Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Prospectus has been obtained or derived from internal Company reports and industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although, our Company believes that industry data used in this Prospectus is reliable, it has not been independently verified. Further, the extent to which the industry and market data presented in this Prospectus is meaningful depends on the reader’s familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

## **FORWARD-LOOKING STATEMENTS**

All statements contained in this Prospectus that are not statements of historical facts constitute ‘forward-looking statements’. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals, and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Prospectus regarding matters that are not historical facts. These forward looking statements and any other projections contained in this Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

These forward looking statements can generally be identified by words or phrases such as “will”, “aim”, “will likely 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. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- general economic and business conditions in the markets in which we operate and in the local, regional, and national and international economies;
- our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- our ability to respond to technological changes;
- our ability to attract and retain qualified personnel;
- the effect of wage pressures, hiring patterns and the time required to train and productively utilize new employees;
- general social and political conditions in India which have an impact on our business activities or investments;
- potential mergers, acquisitions restructurings and increased competition;
- occurrences of natural disasters or calamities affecting the areas in which we have operations;
- market fluctuations and industry dynamics beyond our control;
- changes in the competition landscape;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to manage our growth effectively;
- our ability to compete effectively, particularly in new markets and businesses;
- changes in laws and regulations relating to the industry in which we operate changes in government policies and regulatory actions that apply to or affect our business;
- developments affecting the Indian economy; and
- Inability to meet our obligations, including repayment, financial and other covenants under our debt financing arrangements.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 16, 72 and 137 respectively.

Forward looking statements reflects views as of the date of this Prospectus and not a guarantee of future performance. 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. Neither our Company / our Directors nor the Lead Manager, nor any of its 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 Lead Manager will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange.

## SECTION II - SUMMARY OF THE OFFER DOCUMENT

### A. Summary of Business & Industry:

#### *Summary of Business:*

Our Company offers a range of pigment dispersions for various industries like Paints, Inks, Textile, Detergent, Paper, Rubber and Plastics. color solutions for various industries like paints, ink, textile, rubber, plastic, leather, paper, soaps, detergents and FMCG. Our Company is engaged in the business of manufacturing and selling pigment dispersions, preparations, concentrates, paste colorants and master batches.

We have a pan-India customer base, with integrated operations which involves development, manufacturing, marketing and distribution of a wide range of dispersions & masterbatches primarily to industries such as paints, ink, textile, rubber, plastic, leather, paper, soaps, detergents and FMCG.

Our laboratories are well equipped to develop process capabilities and product application techniques. Our specialized and dedicated team of professionals and engineers constantly keep abreast with the latest technology and trends as per the requirement of the industry. Our development team has a deep understanding of color, color management and dispersion technology.

Currently we are operating out of 2 units in Taloja and a third unit at Mahad is in process of getting established with trials currently being conducted. We have adequate infrastructure, production capacities and the required technical support of well equipped laboratories to cater to our customers needs with regards product development, quality assurance and product application support. We are well placed to offer comprehensive product solutions to our customers.

#### *Summary of Industry:*

### INDIAN CHEMICAL INDUSTRY

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

### INTRODUCTION

Covering, more than 80,000 commercial products, India's chemical industry is extremely diversified and can be broadly classified into bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers and fertilisers.

Globally, India is the fourth-largest producer of agrochemicals after the United States, Japan and China. India accounts for ~16% of the world production of dyestuffs and dye intermediates. Indian colorants industry has emerged as a key player with a global market share of ~15%. The country's chemicals industry is de-licensed, except for few hazardous chemicals. India holds a strong position in exports and imports of chemicals at a global level and ranks 14th in exports and 8th in imports at global level (excluding pharmaceuticals).

The domestic chemicals sector's small and medium enterprises are expected to showcase 18-23% revenue growth in FY22, owing to an improvement in domestic demand and higher realisation due to high prices of chemicals.

India's proximity to the Middle East, the world's source of petrochemicals feedstock, enables it to benefit on economies of scale.

### EXECUTIVE SUMMARY

Source: IBEF, Chemicals, June 2022

## 2. HIGHLY DIVERSIFIED

- The Indian chemicals industry is highly diversified, covering >80,000 products and employing >2 million people.
- A network of 200 national laboratories and 1,300 R&D centres provides a strong base to the Indian chemical industry to drive innovations.
- The chemical industry is expected to contribute US\$ 300 billion to India's GDP by 2025.

## 1. GLOBAL POSITION

- Globally, India is the third-largest consumer of polymers, fourth-largest producer of agrochemicals and sixth-largest producer of chemicals.
- The Indian chemicals industry makes up 3.4% of the global chemicals industry.
- In 2019, the Indian chemicals market stood at US\$ 178 billion and is forecast to reach US\$ 304 billion by 2025.

## 3. STRONG GROWTH IN SPECIALTY CHEMICALS

- The Indian specialty chemicals sector is expected to increase at a CAGR of 12.4%, from US\$ 32 billion in 2019 to an estimated US\$ 64 billion by 2025.
- Also, ICRA's ratings indicate improved exports and a positive outlook for agrochemicals and surfactants.

## 4. LARGEST GLOBAL DYE SUPPLIER

- India is the world leader in dye manufacturing, accounting for 16%-18% of global dyestuff exports.
- In FY22, India's dye exports totaled US\$ 3.24 billion.



### INDIAN PAINT INDUSTRY

Source: <https://www.paintindia.in/india-paint-industry>

The Indian Paint Industry is today worth over INR 62,000 crores (USD 8 billion), and is the fastest-growing major paint economy the world over, with a consistent double-digit growth over the last 2 decades. It has over 3,000 paint manufacturers, with nearly all global majors present in the country. It has a near-75% share of architectural paints and a 25% share of industrial paints, with an equitable fast-paced growth across all segments, from Architectural to Powder, from Automotive to Coil, from High-Performance to General Industrial, from Refinish to Wood, and from Packaging to Plastic.

### Allied Industry Segments

Besides the core Paint/Coatings segment, Paint India also represents the interests of the Printing Inks, Construction Chemicals and Adhesives-Sealants segments from a sourcing and manufacturing viewpoint, since the raw materials, production equipment and supply channels have a significant overlap, and none of these segments have dedicated world-class events for themselves. Similarly, large and important industry segments like Pigments, Resins, Plastic Master batches and Composites also find valuable sourcing avenues at the show, extending the benefits and customer engagement on offer.

**The dyes and pigments market was valued at approximately USD 33030 million in 2020, and it is estimated to grow at a CAGR of more than 4% during the forecast period (2021-2026).**

COVID-19 had critical repercussions on the market. As a result of the pandemic simulation, several countries went into lockdown, causing outages and shutdowns. This had a major implication for a variety of industries, including paints and coatings, textiles, and others. However, conditions are intended to elevate in 2020, reclaiming the market's growth trajectory studied during the forecast period.

### B. Promoters:

Aamer Ahmed Farid and Hani Ahmed Farid are the Promoters of our Company.

### C. Issue Size:

Public issue of 40,40,000 Equity Shares of face value of ₹10.00 each of our Company for cash at a price of ₹78 per Equity Share (including a share premium of ₹68 per Equity Share) aggregating to ₹3,151.20 lakhs by our Company, in terms of this Prospectus.

**D. Objects of the Issue:**

Sr. No.	Object	Amount Proposed to be Utilised from the Issue Proceeds (₹ in lakhs)
1.	Funding working capital requirements of our Company	2,377.65
2.	General Corporate Purposes	693.55
3.	Issue Related Expenses	80.00
	<b>Total</b>	<b>3,151.20</b>

**E. Pre-Issue Shareholding of Promoters, Promoter Group:**

Sr.	Particulars	Pre-Issue	
		No. of Shares	% Holding
a)	<b>Promoters</b>		
	Aamer Ahmed Farid	28,00,800	26.67
	Hani Ahmed Farid	28,01,290	26.68
	<b>Total</b>	<b>56,02,090</b>	<b>53.35</b>
b)	<b>Promoter Group</b>		
	Ali Mohmedali Bagash	27,41,400	26.11
	<b>Total</b>	<b>27,41,400</b>	<b>26.11</b>
	<b>Grand Total</b>	<b>83,43,490</b>	<b>79.46</b>

**F. Summary of Financial Information:**

(₹ in Lakhs)

Particulars	30.09.22	31.03.22	31.03.21	31.03.20
Share Capital	1050.00	300.00	300.00	300.00
Net Worth	2,484.83	2,089.57	1,610.63	1,405.68
Revenue	4,874.80	8,893.61	7,885.80	7,372.13
Profit After Tax	417.22	491.11	281.43	7.00
Basic and Diluted Earnings per Equity Share (Considering bonus in all previous years in the ratio of 5:2) (in ₹)	3.97	4.68	2.68	0.07
Net Asset Value/Book Value per Equity share (Considering bonus in all previous years in the ratio of 5:2) (in ₹)	23.67	19.90	15.34	13.39
Total Borrowings	1,350.01	1,991.51	1,656.68	2,296.91

Our Annual Reports and financial statements are also available on our website at: [www.ducol.com](http://www.ducol.com).

**G. Auditor qualifications which have not been given effect to in the Restated Financial Information:**

There are no audit qualifications which have not been given effect to in the Restated Financial Information.

**H. Summary of Outstanding Litigations:**

For further details *regarding* the same, please refer to the chapter titled ‘Outstanding Litigations and Material Developments’ beginning on page 151 of the Prospectus.

**I. Risk Factors:**

Please see ‘Risk Factors’ beginning on page 16.

**J. Summary of Contingent Liabilities of our Company:**

We do not have any contingent as on September 30, 2022.

**K. Summary of Related Party Transactions:**

For further details please refer “Annexure V- Related Party Transaction” on page 134, under the section titled “Financial Information” beginning on page 108 of this Prospectus.

**L. Financing Arrangements:**

There are no financing arrangements wherein the Promoters, Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the Prospectus.

**M. Weighted Average Price of the Equity Shares acquired by the Promoter in the last one year preceding the date of this Prospectus:**

Other than as mentioned below, the Promoters have not acquired any Equity Shares in the last one year preceding the date of this Prospectus:

Name of the Promoter	No. of Shares*	Average cost of acquisition (in ₹)
Aamer Ahmed Farid	25,00,000	Nil
Hani Ahmed Farid	25,00,000	Nil

\*Bonus Issue in the ratio of 5:2; for further details please refer to chapter titled “Capital Structure” on page 46.

**N. Average cost of acquisition of shares for promoter:**

Name of the Promoter	Average cost of acquisition (in ₹)
Aamer Ahmed Farid	-10.30
Hani Ahmed Farid	-10.29

**O. Pre-IPO Placement:**

The Company does not intend to undertake Pre-IPO Placement in the Issue.

**P. Issue of equity shares made in last one year for consideration other than cash**

Other than as mentioned below, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Prospectus:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration
12-05-2022	75,00,000	10	Nil	Bonus Issue in the ratio of 5:2*	Nil

**Q. Split / Consolidation of Equity Shares in the last one year**

There was no split / consolidation of the Equity Shares of our Company since incorporation.

## SECTION III - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties summarised below, before making an investment in our Equity Shares. The risks described below are relevant to, the industries our Company is engaged in, our Company and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with 'Our Business' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on page 72 and 137 respectively, of this Prospectus as well as the other financial and statistical information contained in this Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in 'Financial Statements' on page 108 of this Prospectus. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP, as restated.

If any one or more of the following risks as well as other risks and uncertainties discussed in this Prospectus were to occur, our business, financial condition and results of our operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of your investment.

This Prospectus also 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 many factors, including the considerations described below and elsewhere in this Prospectus.

These risks are not the only ones that our Company face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.

### **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 material when considered collectively.
2. Some events may have an impact which is qualitative though not quantitative.
3. Some events may not be material at present but may have a material impact in the future.

### **INTERNAL RISKS**

1. **There are outstanding legal proceedings against our company, which may adversely affect our business, financial condition and results of operations.**

There are proceedings pending at different levels of adjudication before various courts, enquiry officers and appellate forums. Such proceedings could divert management time, attention and consume financial resources in their defence. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of operations. For details in relation to certain material litigation, please see the section entitled "Outstanding Litigation and Material Developments" beginning on page 151. A summary of the outstanding proceedings against our Company and Group Companies as disclosed in this Prospectus, to the extent quantifiable, have been set out below:

Particulars	No. of Cases	Amount Involved (in ₹lakhs)
Direct Tax	2	0.10
Indirect Tax	2	47.75
<b>Total</b>	<b>4</b>	<b>47.85</b>

For further details, please refer to section titled "Outstanding Litigation and Material Developments" beginning on page 151 of this Prospectus.

2. **Our customers generally do not enter into long term contracts. There is no assurance that these customers will continue to purchase our products from us or that they will not scale down their orders. This could impact our financial performance.**

Our customers generally do not enter into any long term contracts with us. Our ability to maintain close and satisfactory relationships with our customers and to consistently manufacture products that meet their requirements is therefore important to our business. There is no assurance that these customers will continue to purchase our products from us or in the years to come. The loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations.

**3. *Substantial portion of our revenues has been dependent upon limited number of customers.***

Revenue from our top 5 customers constituted 85.80%, 79.90% and 81.53% of our revenue from operations for the 6 months period ended September 30, 2022, and financial years March 31, 2022 and March 31, 2021 respectively. We do not have firm commitment supply agreements with most of our customers and instead rely on purchase orders to govern the volume and other terms of our sales of products. The loss of any significant client would have a material effect on our financial results. We cannot assure you that we can maintain the historical levels of business from these clients or that we will be able to replace these clients in case we lose any of them. While we are constantly striving to increase our customer base and reduce dependence on any customer, there is no assurance that we will be able to broaden our customer base in any future periods or that our business or results of operations will not be adversely affected by a reduction in demand or cessation of our relationship with any of our major customers.

**4. *Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.***

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. We will be applying for certain approvals relating to our business. If we fail to maintain such registrations and licenses or comply with applicable conditions, or a regulatory authority claims we have not complied, with these conditions, our certificate of registration for carrying on a particular activity may be suspended and/or cancelled and we will not then be able to carry on such activity. This could materially and adversely affect our business, financial condition, and results of operations. We cannot assure you that we will be able to obtain approvals in respect of such applications or any application made by us in the future. For more information about the licenses required in our business and the licenses and approvals applied for, please refer “*Government and Other Approvals*” on page 154 of this Prospectus, respectively.

**5. *The loss resulting from shutdown of operations at any of our plants could have an adverse effect on us.***

Our plants are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters, industrial accidents. Our plants use complex equipment and machinery, and the breakdown or failure of equipment or machinery may result in us having to make repairs or procure replacements which may require considerable time and expense. Although we have not had such incident in the past and we take precautions to minimize the risk of any significant operational problems at our plants, we cant assure that any such incident will not occur and it could have adverse effect on our financial performance.

**6. *We may not be able to maintain the pace of growth as exhibited historically. Our inability to efficiently handle the abovementioned challenges may affect our business prospects, results of operations and financial condition***

We have experienced significant growth in recent years and expect our business to grow further. Our ability to sustain our growth depends, in a large part, on our ability:

- To augment financial resources for additional capacities at competitive terms and conditions;
- To complete capacity expansion / new projects without time and cost overrun;
- To employ and retain key management personnel;
- To design and implement strong internal control systems; and
- To control costs.

Our inability to efficiently handle the abovementioned challenges may affect our business prospects, results of operations and financial condition.

**7. Our Company is dependent on third party transportation providers for the supply of raw materials and delivery of our products and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations**

Our Company uses third party transportation providers for the supply of most of our raw materials and delivery of our products to our domestic customers. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on the supplies from our suppliers and deliveries to our customers. These transportation facilities may not be adequate to support our existing and future operations. In addition, raw materials and products maybe lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our products to our customers may have an adverse effect on our business and results of operations.

Further, disruptions of transportation services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure and port facilities, or other events could impair our ability to supply our products to our customers. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

**8. Our Company had negative cash flows in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.**

(₹ in lakhs)

Cash flow from	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Investing activities	(174.89)	(327.06)	(68.56)	(123.74)
Financing activities	(769.79)	37.15	(930.60)	(160.45)

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations. For further details please refer to the section titled '*Financial Information*' and chapter titled '*Management's Discussion and Analysis of Financial Condition and Results of Operations as reflected in the Financial Statements*' beginning on pages 108 and 137 respectively, of the Prospectus.

**9. Our operations are subject to environmental, workers' health and safety and employee laws and regulations. We may incur material costs to comply with, or suffer material liabilities or other adverse consequences as a result of, environmental laws and regulations which may have a material adverse affect on our business, financial condition and results of operations.**

Our operations are subject to extensive environmental and hazardous waste management laws and regulations in India, including the Environmental Protection Act, 1986, as amended (the "Environment Act"), the Air (Prevention and Control of Pollution) Act, 1981, as amended (the "Air Act"), the Water (Prevention and Control of Pollution) Act, 1974, as amended (the "Water Act") and other regulations promulgated by the MoEF and various statutory and regulatory authorities and agencies in India. The chemical industry is subject to strict regulations with respect to a range of environmental matters including limitations on land use, including forest land, licensing requirements; management of materials used in manufacturing activities; the storage of inflammable and hazardous substances and associated risks; the storage, treatment and disposal of wastes; remediation of contaminated soil and groundwater; air quality standards; water pollution; and discharge of hazardous materials into the environment. The discharge or emission of chemicals, dust or other pollutants into the air, soil or water that exceed permitted levels and cause damage to others may give rise to liabilities towards the government and third parties, and may result in our incurring costs to remedy any such discharge or emissions.

The impact of these laws and regulations, or any changes to such laws or regulations, may be significant and may delay the commencement of, or cause interruptions to, our operations. We may not have complied with all such applicable environmental laws and regulations in the past and in the future may not comply with applicable laws and regulations due to some lapse or error.

Further, our company had undertaken various measures like rationalization of operational processes, upgradation/shifting of facilities including infrastructures with the assistance of external experts to ensure that the company's current three locations are compliant with environmental laws of the land. Our manufacturing units are

being inspected on regular basis by the Maharashtra Pollution Control Board. We have been issued various show cause notices by Maharashtra Pollution Control Board from time to time for our manufacturing units. Our Company earlier was issued show cause notices in the past and we had replied to those and there has been no further queries on the same and there are no outstanding notices as on date:

The details of these show cause notices are as under:

#### UNIT I

Sr. No.	Letter from MPCB Ref No.	Dated	Subject	Action on Subject	Dated	Status	Remarks
1	RONM/SC/VM/290	12.12.2014	Showcause Notice for Non-Compliance of Consent Conditions	Reply submitted to MPCB with compliances	18.12.2014	Complied	Replies have been submitted after necessary compliances and there has been no further queries on the same and there are no outstanding notices as on date
2	MPCB/RO NM/SCN/1 1/2015	27.05.2015	Showcause Notice for Non-Compliance of Consent Conditions	Reply submitted to MPCB with compliances	01.06.2015	Complied	
3	RONM/SC N/96/Oct-2016/33	05.10.2016	Showcause Notice for non disposal of waste (ETP Sludge)	Reply Submitted to MPCB with compliances	17.10.2016	Complied	
4	MPCB/RO NM/SCN/1 90508-FTS-0004	08.05.2019	Showcause Notice for issuance of General directions of closure	Reply Submitted to MPCB with compliances	09.05.2019	Complied	
5	MPCB/RO NM/HWM C/SRONM-III/211208-FTS-008309	08.12.2021	Showcause Notice for Annual Returns of Hazardous Waste	Reply Submitted to MPCB with compliances	21.12.2021	Complied	

#### UNIT II: NIL

Note:

To streamline dedicated wet dispersion operation at Unit 1 at Taloja Plot No. 22/2, dry dispersion activities were shifted in 2012 for 5 years to a sub - leased facility at Taloja Plot No. G/7. This facility was served a letter from MPCB (MPCB/SRO NM-III/TB/1966) dated 16.08.2017 for non - compliance of Consent Conditions. The same was complied on 29.08.2017 by closing down this operation as per advise of MPCB. Subsequently, dry dispersion activities were shifted to Unit 2 at Taloja Plot No.T - 5/1.

Environmental laws and regulations in India have become increasingly stringent, and it is possible that they will become significantly more stringent in the future. If any of our units or the operations of such units are shut down, we may continue to incur costs in complying with regulations, appealing any decision to close our facilities, maintaining production at our existing facilities and continuing to pay labour and other costs which may continue even if the facility is closed. Stricter laws and regulations, or stricter interpretation of the existing laws and regulations may impose new liabilities on us or result in the need for additional compliance requirements and additional investment in environmental protection equipment, either of which could adversely affect our business, financial condition or prospects.

#### **10. Our failure to accurately forecast and manage inventory could result in an unexpected shortfall and / or surplus of products, which could harm our business.**

We monitor our inventory levels based on our own projections of future demand. Because of the length of time necessary to produce commercial quantities of our products, we must make production decisions well in advance of

sales. An inaccurate forecast of demand for any product can result in the unavailability / surplus of products. This unavailability of products in high demand may depress sales volumes and adversely affect customer relationships. Conversely, an inaccurate forecast can also result in an over-supply of products, which may increase costs, negatively impact cash flow, reduce the quality of inventory, erode margins substantially and ultimately create write-offs of inventory. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition.

**11. *Quality concerns and negative publicity, if any, would adversely affect the value of our brand, and our sales.***

Our business is dependent on the trust our customers have in the quality of our products as well as on our ability to protect our brand value. Any negative publicity regarding our Company, brands or products, including those arising from a drop in quality of our products from our vendors, or any other unforeseen events could adversely affect our reputation, our brand value, our operations and our results from operations.

**12. *We operate in an unorganized industry and face significant competition. Our inability to compete effectively, market our products relative to our competitors may lead to lower market share and adversely affect our operations and profitability.***

Our Company sells its products in highly competitive markets and faces competition; however it is not possible to compute the present market share of our Company since the Indian pigments and dyes industry is largely an unorganised industry and there are no reliable source / report which carries this data on market share. Further, the competition in these markets is based primarily on demand creation and as a result, to remain competitive in our markets, we must continuously strive to effectively market our products. In each of our markets, we face competition primarily from the unorganized market, Indian corporates and MNCs. In the event of price competition from our competitors, we may be required to reduce the price of our products while maintaining quality standards and our Company may not always be able to do so. Some of our competitors may have greater financial resources, generate higher revenues, and therefore, be able to better respond to market changes and shifts in consumer spending patterns and changes in consumer sentiments and tastes. They also may be in a better position than us to sustain losses in revenue due to pricing pressures. Accordingly, we cannot be certain that we will be able to compete effectively with these competitors or that we will not lose customers to these competitors. If we are not able to compete effectively, our business, results of operations and financial condition could be adversely affected.

**13. *Our funding requirements and deployment of the issue proceeds are based on management estimates and have not been independently appraised by any bank or financial institution.***

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates and our current business plan. The fund requirements and intended use of proceeds have not been appraised by bank or financial institution and are based on our estimates. In view of the competitive and dynamic nature of our business, we may have to revise our expenditure and fund requirements as a result of variations including in the cost structure, changes in estimates and other external factors, which may not be within the control of our management. This may entail rescheduling, revising, or cancelling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our board. In addition, schedule of implementation as described herein are based on management's current expectations and are subject to change due to various factors some of which may not be in our control.

**14. *Fluctuations in the availability and quality of raw materials could cause delay and increase costs.***

The availability of raw materials may fluctuate significantly, depending on many factors including transportation and weather patterns. For details of raw materials used by us please refer to paragraph titled "Raw Materials" under chapters titled 'Our Business' beginning on page 72 respectively of the Prospectus. Though we cover purchases on a monthly basis, we are still exposed to and will have to absorb any fluctuations in the prices including that of crude oil. We do not and will not have control over the factors affecting prices for crude oil. Historically, international prices for crude oil have been volatile and have fluctuated widely in response to changes in many factors. Such fluctuations in the prices of crude oil may result in fluctuations in the cost of our raw materials which in turn may have a material adverse effect on our results of operations.

Any material shortage or interruption in the supply or decrease in the quality of raw materials due to natural causes or other factors could result in increased production costs that we may not be able to pass on to our customers, which in turn would have a material adverse effect on our margins and results of operations.

Further, our suppliers of other raw materials may allocate their resources to service other clients ahead of us. While we believe that we could find additional vendors to procure other raw materials, any failure of our suppliers to deliver such raw materials in the necessary quantities or to adhere to delivery schedules or specified quality standards and technical specifications would adversely affect our production processes and our ability to deliver orders on time and at the desired level of quality. As a result, we may lose customers, which could have a material adverse effect on our business, financial condition and results of operations.

**15. *Raw materials constitute a significant percentage of our Company's total expenses. Any increase in prices and any decrease in the supply would materially adversely affect our Company's business.***

Raw materials constitute a significant percentage of the total expenses of our Company. The cost of materials consumed accounted for 62.17%, 56.86% and 64.64% of total income in each of the Financial Years 2022, 2021 and 2020 respectively. Any increase in the price of raw materials, which our Company is unable to pass on the impact of, would have a material adverse effect on our Company's business. We are exposed to the price risk associated with purchasing our raw materials, which form the highest component of our expenses. We typically do not enter into formal arrangements with our vendors. Therefore, fluctuations in the price and availability of raw materials may affect our business and results of operations. We do not currently engage in any hedging activities against commodity price risk. Any material shortage or interruption in the domestic and international supply or decrease in the quality of raw materials due to natural causes or other factors could result in increased production costs that our Company may not successfully be able to pass on to customers, which in turn would have a material adverse effect on our Company's business.

**16. *We are a labour intensive industry and hence may face labour disruptions and other planned and unplanned outages that would interfere with our operations.***

Our Company's activities are labour intensive. Strikes and other labour actions may have an adverse impact on our operations, though we have not experienced any such labour disruption in the past. We cannot guarantee that we will not experience any strike, work stoppage or other industrial action in the future. Also, the third-party suppliers of raw materials which we use may experience strikes or other industrial action. Any such event could disrupt our operations, possibly for a significant period of time, result in increased wages and other costs and otherwise have a material adverse effect on our business, results of operations or financial condition. For further details, please refer to the paragraph titled '*Manpower*' under chapter titled '*Our Business*' beginning on page 72 of the Prospectus. In addition, work stoppages, refurbishments, installation of new plants, accidents or sustained bad weather at our operations could result in production losses and delays in delivery of our products, which may adversely affect our operations and profitability. Production may also fall below historic or estimated levels as a result of unplanned outages.

**17. *The loss resulting from the shutdown of operations at any of our units could have an adverse effect on our Company.***

Our units are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters, industrial accidents. Our units use complex equipment and machinery, and the breakdown or failure of equipment or machinery may result in us having to make repairs or procure replacements which may require considerable time and expense. Although our Company have not had such incident in the past and while we have insurance cover for both our facilities, including for loss of profit due to accidental shut down, the same may not be adequate to cover the loss in business. Although we take precautions to minimise the risk of any significant operational problems at our units, they could have an adverse effect on our financial performance.

**18. *Increasing employee compensation in India may reduce our Company's profit margins.***

Increase in compensation levels in India may negatively affect our profit margins. Employee compensation in India is currently increasing which could result in increased costs of production. Our Company may need to continue to increase levels of employee compensation to manage attrition. Any increases in the amount of compensation paid to our Company's employees could have a significant effect on our costs, which may affect our position in our industry and have a material adverse effect on our business and financial operations.

**19. Our business is dependent on our manufacturing facilities, the majority of which are geographically located in one area, Maharashtra. Any loss or shutdown of operations at any of our manufacturing facilities in Maharashtra may have an adverse effect on our business and the results of operations.**

All our manufacturing facilities are based near Mumbai in Maharashtra. As a result, if there is any localised social unrest, natural disaster or breakdown of services and utilities in Maharashtra, it may affect our business adversely. Further our manufacturing activities are subject to operating risks, such as breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lockouts, continued availability of services of our external contractors, earthquakes and other natural disasters, industrial accidents etc. We have not experienced any of these operating risks in the past. Although we have contingency plans to meet most of our operating risks, we cannot assure you about the adequacy of such plans will be adequate to meet all of our operating risks.

**20. Product innovation and research and development (R&D) activities are an integral part of our business model. If our research and product development efforts are not successful, our business may be restricted which may in turn have an adverse effect on our business and financial condition.**

Product Innovation and Research and Development (R&D) activities are an integral part of our business model. Our Company needs to introduce new products and further expand into additional areas to remain successful in the future. Our Company's plans to introduce new products into markets and diversify the areas in which it operates may not be successful. Any material adverse developments with respect to the sale or use of our products, failure to successfully introduce new products or implement our expansion strategies, could have a material adverse effect on the business and financial condition of our Company. Further, new products currently under development, if and when fully developed and tested, may not perform as per our expectations and our Company may not be able to successfully and profitably produce and market such products, which may consequently restrict our business and affect our financial condition.

**21. We are subject to risks arising from foreign exchange rate movements.**

Our exchange rate risk primarily arises from our foreign currency revenues, receivables, payables etc. We have significant revenues in foreign currencies especially US\$. The foreign exchange fluctuation affects both the revenues and expenditures in absolute terms when converted into Indian rupees. To this extent, the revenues and expenditures will be higher or lower depending on the depreciation or appreciation of Indian Rupee in foreign currency terms.

The exchange rate between the Indian Rupee and the United States Dollar has been volatile in recent years and may fluctuate in the future. Therefore, changes in the exchange rate between the Indian Rupee and the US\$ may have a material adverse effect on our revenues, other income, operating costs and net income, which may in turn have a negative impact on our business, operating results and financial condition.

For further details please refer to the paragraph titled '*Foreign Exchange Risk*' under the chapter titled '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' beginning on page 137 of the Prospectus.

**22. We have limited knowledge and records of documents relating to corporate actions undertaken by our Company prior to March 2001.**

Our Company was incorporated on June 16, 1994. We have been unable to trace some of documents pertaining to corporate, accounting and other statutory records, including any supporting documents such as share transfer forms, ROC records pertaining to increase in authorised capital or paid up capital, and/or RoC filings for the period from incorporation in June 1994 up to March 1996. All this data has been derived from the statutory registers and share transfer register maintained by our company. We cannot assure you that these form filings and corporate records will be available in the future or that we will not be subject to any penalty imposed by the competent regulatory authorities in this respect or incur additional expenses arising from our inability to furnish correct particulars in respect of the RoC filings or other corporate records or for any misrepresentation of facts which may occur as a result of the non-availability of relevant documents.

**23. Our Company have in the past entered into related party transactions with our Promoters and Promoter Group Entities and may continue to do so in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.**

Our Company has entered into related party transactions with our Promoters and Promoter Group Entities in the past. While our Company believes that all such transactions have been conducted on an arm's length basis are in compliance with applicable provisions of Companies Act, 2013 and other applicable laws and are accounted as per Accounting Standard 18, however there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

For further details please refer to the section titled '*Financial Information*' beginning on page 108 of the Prospectus.

**24. *Our Company has availed certain unsecured loans from the Promoters and Promoter Group that are recallable by the lenders at any time.***

As on September 30, 2022, our Company has availed certain unsecured loans from Promoters and Promoter Group that are recallable on demand by our lenders. The total amount of outstanding as on September 30, 2022 is ₹ 6.91 Lakhs. For further details of these unsecured loans, refer "*Financial Indebtedness*" on page [●]. In case of any demand from our lenders for repayment of such unsecured loans, the resultant cash outgo, may adversely affect our business operations and financial position of our Company.

**25. *Our success depends largely upon the services of our Promoters, Executive Directors and other Key Managerial Personnel and our ability to attract and retain them. Demand for Key Managerial Personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel may affect the operations of our Company.***

Our Managing Director, Aamer Ahmed Farid and our Whole-time Director, Hani Ahmed Farid have over the years built relations with suppliers, customers and other persons who are connected with us. Our Key Managerial Personnel have also substantially contributed for our growth. Our success is substantially dependent on the expertise and services of our Directors and our Key Managerial Personnel. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for Key Managerial Personnel in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

**26. *Our agreements with various financial institutions for financial arrangements contain restrictive covenants for certain activities and if we are unable to get their approval, it might restrict our scope of activities and impede our growth plans.***

We have entered into agreements for short term and long term borrowings with certain financial institutions. These agreements include restrictive covenants which mandate certain restrictions in terms of our business operations such as to obtain either the prior written consent of such financial institutions or require us to give prior written intimation to such lenders, prior to, amongst other circumstances, creating further encumbrances on our assets, disposing of assets outside the ordinary course of business, paying dividends to our shareholders, undertaking guarantee obligations, alteration of our capital structure, raising of additional equity or debt capital, incurrence of indebtedness, undertaking any merger, amalgamation, restructuring or changes in management. Our ability to execute business plans, including our ability to obtain additional financing on terms and conditions acceptable to us, could be negatively impacted as a result of these restrictions and limitations. In the event that we breach a restrictive covenant, our lenders could deem us to be in default and seek early repayment of loans. An event of default would also affect our ability to raise new funds or renew maturing borrowings as needed to conduct our operations and pursue our growth initiatives. Although we have received consents from our lenders for the Issue, we cannot assure you that we will be able to receive such consents in future.

For further details, please refer to the section '*Financial Indebtedness*' beginning on page 147 of the Prospectus.

**27. *Our Promoters and Directors have provided personal guarantees for our loans, and any failure or default by us to repay such loans in accordance with the terms and conditions of the financing documents could trigger repayment obligations, which may adversely affect our Promoters' ability to manage our affairs.***

We have obtained loans in the ordinary course of business for the purposes of working capital and other business requirements. Our Promoters and our Executive Directors have given personal guarantees in relation to certain of our

loans. For details, see “Financial Indebtedness” on page 147. In the event of default on the loans, the guarantees may be invoked by our lenders thereby adversely affecting our Promoters’ ability to manage our affairs and this, in turn, could adversely affect our business, prospects, financial condition and results of operations. Further, if any of these guarantees are revoked by our Promoters, our lenders may require alternate security or guarantees and may seek early repayment or terminate such facilities. We may not be successful in providing alternate guarantees satisfactory to the lenders, and as a result may be required to repay outstanding amounts or seek additional sources of capital. Any such event could adversely affect our financial condition and results of operations.

**28. Our operations are subject to high working capital requirements. Our inability to obtain and / or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet our requirement of working capital or pay our debts, could adversely affect our operations.**

Our business requires significant amount of working capital. In many cases, significant amount of our working capital is required for purchasing and maintaining of stock of goods. Most of these materials are purchased locally or are imported. Though, presently we have sanctioned working capital limits from the existing bankers and one of the objects of the Issue is to meet our future working capital requirements, we may need to incur additional indebtedness in the future to satisfy our working capital needs. All these factors may result in increase in the quantum of our current assets and short-term borrowings. Our inability to obtain and / or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet our requirement of working capital or pay our debts, could adversely affect our financial condition and results of operations.

**29. Our Company has issued Equity Shares in the one year immediately preceding the date of this Prospectus at a price which is lower than the Issue Price. Further there have been transfers of equity shares by Promoter Group and others in the one year immediately preceding the date of Prospectus at a price which is lower than the Issue Price.**

Issue of Shares by Company;

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration
12-05-2022	75,00,000*	10	Nil	Bonus Issue in the ratio of 5:2	Nil

\*Allotment of 25,00,000 Equity Shares each to Aamer Ahmed Farid; Ali Mohmedali Bagash and Hani Ahmed Farid.

**Details of transfers of equity shares by Promoter Group and others in the one year immediately preceding the date of Prospectus at a price which is lower than the Issue Price**

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature / Reason of Allotment
12-05-2022	75,00,000	10.00	Nil	Nil	Bonus Issue in the ratio of 5:2 *
18-06-2022	3,00,000	10.00	25.00	Cash	Transfer from Mr. Aamer Ahmed Farid to Mr. Vinayak Kudva, Mr. Santosh Kudva and Virtuous Capital Ltd **
18-06-2022	3,00,000	10.00	25.00	Cash	Transfer from Mr. Ali Mohmed Ali Bagash to Mr. Vinayak Kudva, Mr. Santosh Kudva and Virtuous Capital Ltd **
18-06-2022	3,00,010	10.00	25.00	Cash	Transfer from Mr. Hani Ahmed Farid to Mr. Vinayak Kudva, Mr. Santosh Kudva, Mrs. Deep Shukla and Virtuous Capital Ltd **
18-08-2022	16,000	10.00	40.00	Cash	Transfer from Virtuous Capital Limited to Mr. Arjun Patil
18-08-2022	15,000	10.00	40.00	Cash	Transfer from Virtuous Capital Limited to Mr. Chetan Mahadik
18-08-2022	10,000	10.00	40.00	Cash	Transfer from Virtuous Capital Limited to Mr. Narendra Shelke

<b>Date of Allotment</b>	<b>No. of Equity Shares</b>	<b>Face Value (Rs.)</b>	<b>Issue Price (Rs.)</b>	<b>Nature of Consideration</b>	<b>Nature / Reason of Allotment</b>
18-08-2022	36,000	10.00	40.00	Cash	Transfer from Virtuous Capital Limited to Mr. Vijay Patil
22-08-2022	5,000	10.00	40.00	Cash	Transfer from Virtuous Capital Limited to Mr. Deepak Ingle
22-08-2022	10,000	10.00	40.00	Cash	Transfer from Mr. Santosh Kudva to Mr. Ratnakr V. Rai
22-08-2022	5,000	10.00	40.00	Cash	Transfer from Mr. Santosh Kudva to Mrs. Anitha Guled
12-09-2022	25,000	10.00	40.00	Cash	Transfer from Virtuous Capital Limited to Mr. M Anatharaman
12-09-2022	25,000	10.00	40.00	Cash	Transfer from Virtuous Capital Limited to Mrs. Revathi Anatharaman
12-09-2022	25,000	10.00	40.00	Cash	Transfer from Virtuous Capital Limited to and Kamaxi Stock Trendz
13-09-2022	7,000	10.00	40.00	Cash	Transfer from Mr. Santosh Kudva to Mrs. Aneeta Deep Shukla
14-09-2022	50,000	10.00	40.00	Cash	Transfer from Mr. Santosh Kudva to Mr. Abhishek Agrawal
23-09-2022	50000	10.00	40.00	Cash	Transfer from Mr. Vinayak Kudva to Abhishek Agrawal
26-09-2022	2,000	10.00	40.00	Cash	Transfer from Mr. Santosh Kudva To Gaurav Rane
26-09-2022	2,000	10.00	40.00	Cash	Transfer from Mr. Vinayak Kudva to Siddhi Rane
26-09-2022	1,000	10.00	40.00	Cash	Transfer from Mr. Vinayak Kudva To Praveen rane
27-09-2022	1,600	10.00	40.00	Cash	Transfer from Mr. Abhishek Agrawal to Santosh Rahate
27-09-2022	1,600	10.00	40.00	Cash	Transfer from Mr. Abhishek Agrawal to Vikram Kadam
28-09-2022	6,400	10.00	40.00	Cash	Transfer from Mr. Abhishek Agrawal to Payal kedia
03-10-2022	1,600	10.00	40.00	Cash	Transfer from Mr. Abhishek Agrawal to Prateek Maharana
17-10-2022	3,200	10.00	40.00	Cash	Transfer from Mr. Abhishek Agrawal to Veena Agarwal
24-11-2022	1,600	10.00	40.00	Cash	Transfer from Mr. Abhishek Agrawal to Tolani Kanchan Sanjay
24-11-2022	1,600	10.00	40.00	Cash	Transfer from Mr. Abhishek Agrawal to Sachin Heliwal
24-11-2022	6,400	10.00	40.00	Cash	Transfer from Mr. Abhishek Agrawal to Mudit Trivedi
28-11-2022	8,000	10.00	40.00	Cash	Transfer from Mr. Abhishek Agrawal to Shagun Bishnukumar Changoiwala
30-11-2022	1,600	10.00	40.00	Cash	Transfer from Mr. Abhishek Agrawal to Nikhat Parveen
06-12-2022	3,000	10.00	40.00	Cash	Transfer from Mr. Abhishek Agrawal to Shagun Bishnukumar Changoiwala

<b>Date of Allotment</b>	<b>No. of Equity Shares</b>	<b>Face Value (Rs.)</b>	<b>Issue Price (Rs.)</b>	<b>Nature of Consideration</b>	<b>Nature / Reason of Allotment</b>
06-12-2022	50,000	Nil	Nil	Nil	Gift of Shares from Mr. Ali MohamedAli Bagash to Soad Altaf Khan
06-12-2022	5000	10	70.00	Cash	Transfer from Mr. Ali MohamedAli Bagash to Mohieranjan Patel
07-12-2022	5000	10	70.00	Cash	Transfer from Mr. Ali MohamedAli Bagash to Mamta Sekhri
09-12-2022	5,000	10.00	40.00	Cash	Transfer from Mr. Abhishek Agrawal to Shagun Bishnukumar Changoiwala
12-12-2022	10,000	10	32.00	Cash	Transfer from Narendra Shelke to Amey Kakade
23-12-2022	2,000	10	50.00	Cash	Transfer from Aamer Ahmed Farid to Sunil Kumar Mehta
23-12-2022	4,000	10	50.00	Cash	Transfer from Aamer Ahmed Farid to Swapnil Kanade
23-12-2022	2,000	10	50.00	Cash	Transfer from Aamer Ahmed Farid to Parmeshwar Ghadge
23-12-2022	4,000	10	50.00	Cash	Transfer from Aamer Ahmed Farid to Mahesh Shirke
23-12-2022	2,000	10	50.00	Cash	Transfer from Aamer Ahmed Farid to Mahendra Kadam
23-12-2022	7,00	10	50.00	Cash	Transfer from Aamer Ahmed Farid to Prabhakar Chawan
23-12-2022	1,000	10	50.00	Cash	Transfer from Aamer Ahmed Farid to Raju Tambe
23-12-2022	9,000	10	50.00	Cash	Transfer from Aamer Ahmed Farid to Atul Sethi
23-12-2022	5,00	10	50.00	Cash	Transfer from Aamer Ahmed Farid to Sajeed Shaikh
23-12-2022	8,000	10	50.00	Cash	Transfer from Mr. Ali MohamedAli Bagash to Shirish Dinkar karkhanis
23-12-2022	10,000	10	50.00	Cash	Transfer from Mr. Ali MohamedAli Bagash to Rehmat Shaikh
23-12-2022	1,600	10	50.00	Cash	Transfer from Mr. Ali MohamedAli Bagash to Sabina Qureshi
23-12-2022	3,000	10	50.00	Cash	Transfer from Mr. Ali MohamedAli Bagash to Sanjay Chakor
23-12-2022	1,000	10	50.00	Cash	Transfer from Mr. Ali MohamedAli Bagash to Kunnummal Veetil Ashokan
23-12-2022	5,000	10	50.00	Cash	Transfer from Mr. Ali MohamedAli Bagash to Keith Sequeira
23-12-2022	6,000	10	50.00	Cash	Transfer from Mr. Hani Ahmed Farid to Yusuf Shaikh
23-12-2022	5,00	10	50.00	Cash	Transfer from Mr. Hani Ahmed Farid to Suhrid Patil
23-12-2022	2,000	10	50.00	Cash	Transfer from Mr. Hani Ahmed Farid to Kamlesh Chak
23-12-2022	2,500	10	50.00	Cash	Transfer from Mr. Hani Ahmed Farid to Dhaniram Kushwaha

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature / Reason of Allotment
23-12-2022	2,000	10	50.00	Cash	Transfer from Mr. Hani Ahmed Farid to Jay Bhawar
23-12-2022	1,600	10	50.00	Cash	Transfer from Mr. Hani Ahmed Farid to JamilBabu Shaikh
23-12-2022	6,000	10	50.00	Cash	Transfer from Mr. Hani Ahmed Farid to Rajendra Bagal
23-12-2022	1,500	10	50.00	Cash	Transfer from Mr. Hani Ahmed Farid to Prakash Bhat
23-12-2022	2,500	10	50.00	Cash	Transfer from Mr. Hani Ahmed Farid to Faizan Shaikh
23-12-2022	1,000	10	50.00	Cash	Transfer from Mr. Hani Ahmed Farid to Deu Mandhare
23-12-2022	1,000	10	50.00	Cash	Transfer from Mr. Hani Ahmed Farid to Ramakant Patil
23-12-2022	1,600	10	50.00	Cash	Transfer from Mr. Hani Ahmed Farid to Habibur Rehman Shaikh
23-12-2022	5,00	10	50.00	Cash	Transfer from Mr. Hani Ahmed Farid to Bilal Shaikh
26-12-2022	4,000	10	50.00	Cash	Transfer from Mr. Aamer Ahmed Farid to Milind More

**30. Members of our Promoter Group will continue to retain significant control in our Company after the Issue, which will allow them to influence the outcome of matters submitted to shareholders for approval. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control.**

After the completion of this Issue, our Promoters and Promoter Group will continue to hold 57.38% of the post issue paid up Equity Share capital of our Company. As a result, 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, and our other shareholders will be unable to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as actions which delay, defer or cause a change of our control or a change in our capital structure, merger, consolidation, takeover or other business combination involving us, or which discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us. We cannot assure you that our Promoter and members of our Promoter Group will act in our interest while exercising their rights in such entities, which may in turn materially and adversely affect our business and results of operations. We cannot assure you that our Promoter will act to resolve any conflicts of interest in our favour. If our Promoter sells a substantial number of the Equity Shares in the public market, or if there is a perception that such sale or distribution could occur, the market price of the Equity Shares could be adversely affected. No assurance can be given that such Equity Shares that are held by the Promoter will not be sold any time after the Issue, which could cause the price of the Equity Shares to decline.

**31. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures and are also prohibited by the terms of our financing arrangements.**

Our Company paid dividend aggregating to ₹ 30.00 lakhs for the FY 2022. The amount of our future dividend payments, if any, will depend upon factors that our Board deems relevant, including among others, our results of future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that our Company will be able to pay dividends.

**32. Our insurance cover may not adequately protect us against all material hazards.**

Our Company has various insurance policies covering stocks, building, furniture, plant and machinery, etc. We believe that we have insured ourselves against the majority of the risks associated with our business. Our significant insurance

policies provide cover for risks relating to physical loss, theft or damage to our assets, as well as business interruption losses. While we believe that the policies that we maintain would reasonably be adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have obtained sufficient insurance (either in amount or in terms of risks covered) to cover all material losses. To the extent that we suffer loss or damage for events for which we are not insured or for which our insurance is inadequate, the loss would have to be borne by us, and, as a result, our results of operations and financial condition could be adversely affected.

**33. *Any changes in regulations or applicable government incentives would materially adversely affect our Company's operations and growth prospects.***

Our Company is subject to regulations in India. Our Company's business and prospects could be adversely affected by changes in any of these regulations and policies, or if any or all of the incentives currently available cease to be, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite approvals in the future for its operations or that compliance issues will not be raised in respect of its operations, either of which would have a material adverse affect on our Company's operations and financial results.

**34. *In the event of abnormal / exceptional circumstances, our Company may experience significant or material losses on account of bad debts, which would have a material adverse impact on our business, results of operations and financial condition.***

Normally, we deliver a significant portion of our products against future payment. The bad debts written off for the Fiscal 2022 were ₹ 50.65 lakhs. In the event of certain abnormal / exceptional circumstances, there may be significant or material losses on account of bad debts, which would have a material adverse impact on our business, results of operations and financial condition.

**35. *Our Audit Report for FY 2021 and FY 2020 includes following remarks as “Emphasis of Matter”.***

Our Auditor's report for the FY 2021 contains certain observations as “Emphasis of Matter” as highlighted by the earlier Auditor, A P & Co., Chartered Accountants:

1. We draw your attention to the fact the company accounts for gratuity dues not in accordance with revised Accounting Standard - 15 on "Employee Benefits". Since the company has not ascertained gratuity liability based on actuarial valuation and has also not determined leave encashment benefit, the quantum of the said liability and its impact on profit/reserves cannot be ascertained'.

2. We would also like to draw your attention to the fact that the company discloses sale inclusive of Goods and Service Tax. As on 31<sup>st</sup> March, 2021, the amount of GST included in sales turnover is Rs 12,76,33,454.

3. Included in debtors shown in the balance sheet is an amount of 50,64,546/- due from two debtors which though the company claims to be good and recoverable' in our opinion recovery of the same is doubtful, and no payment has been received in respect of these two debts. In our opinion, the Company should make a full provision doubtful debt which will further decrease the profit during the year by the said amount of Rs 50,64,546/- and impact the reserves of the Company.

4. The company has advanced Rs 20,00,000/- towards purchase of an immovable property which is classified by the company as doubtful but no provision for the same has been made. In our opinion, the company should make a full provision for the amount so advanced which will further decrease the profit during the year by the said amount of Rs. 20,00,000/- and impact the reserves of the Company.

The opinion of the auditor is not modified in respect of aforesaid matters.

During the audit of FY 2022, our statutory auditor M/s. R.H. Modi & Co. made all the necessary adjustments and the same have been adequately reflected in our Restated Financial Statements.

**36. *We have referred to the data derived from internal Company reports and industry and government publications, publicly available information, and sources.***

Unless stated otherwise, industry and market data used throughout this Prospectus has been obtained or derived from internal Company reports and industry and government publications, publicly available information, and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although, our Company believes that industry data used in this Prospectus is reliable, it has not been independently verified. Further, the extent to which the industry and market data presented in this Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

***37. The recent outbreak of the novel coronavirus could have a significant effect on our results of operations, and could negatively impact our business, revenues, financial condition, and results of operations.***

An outbreak of COVID-19 was recognised as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India, have taken preventive or protective actions such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. Due to a government mandated lockdown in India, we had to temporarily shut down our operations from mid-March 2020 to June 2020. We saw a decline in our business during first half of Fiscal 2021. We have resumed operations in July 2020. If we do not respond appropriately to the pandemic, or if customers do not perceive our response to be adequate, we could suffer damage to our reputation and our brand, which could adversely affect our business in the future.

We cannot predict the degree to, or the time period over, which our business will be affected by the COVID-19 outbreak. For example, this pandemic could necessitate further lockdowns, resulting in significant additional effects on our revenue, financial condition, and results of operations. There are numerous uncertainties associated with the COVID-19 outbreak, including the number of individuals who will become infected, availability of a vaccine or a cure that mitigates the effect of the virus, the extent of the protective and preventative measures imposed by governments and whether the virus' impact will be seasonal, among others. Consequently, there may be adverse effects of this pandemic on our short-term business operations and our financial results may be impacted.

***38. We have not made any alternate arrangements for meeting our capital requirements for the Objects of the issue. Further we have not identified any alternate source of financing the 'Objects of the Issue'. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations, and financial performance.***

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the issue. We meet our capital requirements through our owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled "Objects of the Issue" beginning on page 58 of the Prospectus.

***39. We do not own our Registered Office and back office from which we operate.***

We do not own the premises on which our Registered Office and back office is situated. Our Company has taken the registered office on leave & license basis. Our Company has formally taken the back office situated at 15, Old Bangalipura Street, Masjid West, Mumbai – 400003, Maharashtra, India, from M/s MA Bagash an entity forming part of our Promoter group on a yearly lease rent of ₹ 15.58 Lakh. If the owner of the premises, revoke this agreement or impose terms and conditions that are unfavorable to us, we may suffer a disruption in our operations or have to pay increased rent, which could have a material adverse effect on our business, prospects, results of operations and financial condition. For further details of our office premises please refer to the section titled "Our Business" on pages 72 of the Prospectus.

***40. Any variation in the utilization of the Net Proceeds as disclosed in this Prospectus shall be subject to certain compliance requirements, including prior Shareholders' approval.***

In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilisation 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 or controlling shareholders

would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Issue as prescribed in the SEBI (ICDR) Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition, and may adversely affect our business and results of operations.

**41. Our Company's management will have flexibility in utilizing the Net Proceeds. There is no monitoring agency appointed by our Company and the deployment of funds is at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.**

The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors/Management and is not subject to monitoring by external independent agency. As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above ₹ 10,000.00 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 NSE and shall also simultaneously make the material deviations / adverse comments of the audit committee public. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

**42. Our Company has not registered the trademark. Our ability to use the trademark may be impaired if the same is not registered under our name.**

We have not registered the trademark and logo of our Company which we use. The registration for the said trademark in our name is important to retain our brand equity. If we do not register our trademark, we may lose the statutory protection available to us under the Trade Marks Act, 1999 for such trademark. We are unable to assure that the future viability or value of any of our intellectual. Our Company's business may be affected due to our inability to protect our existing and future intellectual property rights. Currently, we do not enjoy the statutory protections accorded to a trademark registered in India and may not prohibit the use of such name and logo by anybody by means of statutory protection until it is registered.

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

We have no experience as a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance, and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI (LODR) Regulations, which require us to file audited / unaudited reports periodically with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other listed companies.

As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, for which significant resources and management overview will be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition, and results of operations. Further, we may need to hire additional legal and accounting staff with appropriate and relevant experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner or at all.

## **EXTERNAL RISKS**

**44. Any downturn in the macroeconomic environment in India could adversely affect our business, results of operations, cash flows and financial condition.**

India is our key market. For Fiscal 2021, entire of our Company's revenue from operations was from India. In addition, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and our business, results of operations, cash flows and financial condition.

**45. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, in the jurisdictions in which we operate may adversely affect our business and results of operations.***

Our business is subject to various laws and regulations, which are evolving and subject to change. For details, see “Key Industrial Regulations and Policies in India” on page 76. We are also subject to corporate, taxation and other laws in effect in India, which require continued monitoring and compliance. These laws and regulations and the way in which they are implemented and enforced may change. There can be no assurance that future legislative or regulatory changes will not have any adverse effect on our business, results of operations, cash flows and financial condition.

**46. *Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India, or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations.

**47. *Significant differences exist between Ind AS and Indian GAAP and other accounting principles, such as IFRS and US GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows.***

Our financial statements for Fiscals 2019, 2018 and 2017 included in this Prospectus are prepared and presented in conformity with Indian GAAP and restated in accordance with the requirements the SEBI (ICDR) Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2016)” issued by the ICAI. Ind AS differs from Indian GAAP and other accounting principles with which prospective investors may be familiar in other countries, such as IFRS and U.S. GAAP. Accordingly, the degree to which the Financial Statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Persons not familiar with Indian accounting practices should limit their reliance on the financial disclosures presented in this Prospectus.

## **RISKS RELATING TO THE EQUITY SHARES AND THE ISSUE**

**48. *Investors bear the risk of fluctuations in the price of Equity Shares and there can be no assurance that a liquid market for our Equity Shares will develop following the listing of our Equity Shares on the Stock Exchanges.***

There has been no public market for our Equity Shares prior to the Issue. The price may not necessarily be indicative of the market price of our Equity Shares after the Issue is completed. You may not be able to re-sell your Equity Shares at or above the Issue price and may as a result lose all or part of your investment.

Our Equity Shares are expected to trade on SME Platform of NSE after the Issue, but there can be no assurance that active trading in our Equity Shares will develop after the Issue, or if such trading develops that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares.

The price at which our Equity Shares will trade at after the Issue will be determined by the marketplace and may be influenced by many factors, including:

- Our financial condition, results of operations and cash flows;
- The history of and prospects for our business;
- An assessment of our management, our past and present operations, and the prospects for as well as timing of our future revenues and cost structures; and
- The valuation of publicly traded companies that are engaged in business activities similar to ours;
- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts’ recommendations;

- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations, or capital commitments;
- announcements of significant claims or proceedings against us;
- new laws and government regulations that directly or indirectly affect our business;
- additions or departures of Key Management Personnel;
- changes in the interest rates;
- fluctuations in stock market prices and volume; and general economic conditions.

The Indian stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for the securities of Indian companies. As a result, investors in our Equity Shares may experience a decrease in the value of our Equity Shares regardless of our financial performance or prospects.

**49. Any future issuance of Equity Shares by us or sales of Equity Shares by the Promoters could adversely affect the trading price of our Equity Shares and in the case of the issuance of Equity Shares by us result in the dilution of our then current shareholders.**

As disclosed in “Capital Structure” on page 46, an aggregate of 20% of our fully diluted post-Issue capital held by our Promoters shall be considered as minimum Promoters’ contribution and locked in for a period of three years and the balance Equity Shares held by the Promoters will be locked-in for one year from the date of Allotment. Except for the customary lock-in on our ability to issue equity or equity-linked securities discussed in “Capital Structure” on page 46, there is no restriction on our ability to issue Equity Shares. As such, there can be no assurance that our Company will not issue additional Equity Shares after the lock-in period expires or that the Promoters will not sell, pledge or encumber their Equity Shares after the lock-in periods expire. Future issuances of Equity Shares or convertible securities and the sale of the underlying Equity Shares could dilute the holdings of our Shareholders and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the then trading price of our Equity Shares or the Issue Price. Sales of Equity Shares by the Promoters could also adversely affect the trading price of our Equity Shares.

**50. You may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.**

Previously, any gain realized on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months was not subject to long term capital gains tax in India if Securities Transaction Tax (“STT”) was paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of Equity Shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, the Finance Act, 2018, now seeks to tax on such long-term capital gains exceeding ₹ 100,000 arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such Equity Shares. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

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

**51. QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.**

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

Shares even if such events occur and such events may limit the Bidders' ability to sell our Equity Shares Allotted pursuant to the Issue or may cause the trading price of our Equity Shares to decline on listing.

**52. Political, economic, or other factors that are beyond our control may have an adverse effect on our business and results of operations.**

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects 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 worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity, and the price of our Equity Shares.

Our performance, growth and market price of our Equity Shares are and will be dependent on the health of the Indian economy. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional, and global economies. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, cash flows and financial condition. Also, a change in the Government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

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

Our business and financial performance could be adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business including those relating to the industry in which we operate. There can be no assurance that the Government of India or state governments will not introduce new laws, regulations and policies which will require us to obtain additional approvals and licenses or impose onerous requirements on our business.

For example, the new Companies Act, 2013 contains significant changes to Indian company law, including in relation to the issue of capital by companies, disclosures in offer documents, related party transactions, corporate governance, audit matters, internal controls, shareholder class actions, restrictions on the number of layers of subsidiaries, prohibitions on loans to directors, insider trading and restrictions on directors and key management personnel from engaging in forward dealing. Moreover, effective April 1, 2014, companies exceeding certain net worth, revenue or profit thresholds are required to spend at least 2% of average net profits from the immediately preceding three financial years on corporate social responsibility projects, failing which an explanation is required to be provided in such companies' annual reports.

The Ministry of Finance has issued a notification dated March 31, 2015 notifying ICDS which creates a new framework for the computation of taxable income. Subsequently, the Ministry of Finance, through a press release dated July 6, 2016, deferred the applicability of ICDS from April 1, 2015 to April 1, 2016 and is applicable from FY 2017 onwards and will have impact on computation of taxable income for FY 2017 onwards. ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. Such specific standards for computation of income taxes in India are relatively new, and the impact of the ICDS on our results of operations and financial condition is uncertain. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition going forward.

The Government of India has recently approved the adoption of a comprehensive national goods and services tax ("GST") regime that will combine taxes and levies by the Central and State Governments into a unified rate structure, with effect from July 1, 2017. Given the limited availability of information in the public domain concerning the GST, we cannot provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments,

which may create uncertainty. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, because of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

We have not determined the effect of such legislations on our business. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

***54. 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 SME Platform of NSE may not develop or be sustained after the Issue. Our Company and the Lead Manager have appointed BH Securities Private Limited as Designated Market Maker for the Equity Shares of our Company. 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 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 the SME Platform of BSE, securities markets in other jurisdictions, 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.

## SECTION IV – INTRODUCTION

### THE ISSUE

Following table summarises the present Issue in terms of this Prospectus:

<b>Particulars</b>	<b>Details of Equity Shares</b>
<b>Issue of Equity Shares by our Company<sup>#</sup></b>	<b>Issue of 40,40,000 Equity Shares having face value of ₹10.00 each at a price of ₹78.00 per Equity Share (including a share premium of ₹68.00 per Equity share) aggregating ₹3,151.20 lakhs</b>
<b><i>Of which:</i></b>	
Market Maker Reservation Portion	Issue of 4,01,600 Equity Shares having face value of ₹10.00 each at a price of ₹78.00 per Equity Share aggregating ₹313.25 lakhs
Net Issue to the Public*	Issue of 36,38,400 Equity Shares having face value of ₹10.00 each at a price of ₹78.00 per Equity Share aggregating ₹2,837.95 lakhs
<b><i>Of which:</i></b>	
	18,19,200 Equity Shares having face value of ₹10.00 each at a price of ₹78.00 per Equity Share aggregating ₹1,418.98 lakhs will be available for allocation to Retail Individual Investors
	18,19,200 Equity Shares having face value of ₹10.00 each at a price of ₹78.00 per Equity Share aggregating ₹1,418.98 lakhs will be available for allocation to other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for.
<b>Pre and Post Issue Share Capital of our Company</b>	
Equity Shares outstanding prior to the Issue	1,05,00,000 Equity Shares
Equity Shares outstanding after the Issue	1,45,40,000 Equity Shares
<b>Objects of the Issue</b>	<b>Please refer “<i>Objects of the Issue</i>” on page 58.</b>

<sup>#</sup> Public issue of 40,40,000 Equity Shares of ₹10.00 each for cash at a price of ₹78.00 per Equity Share of our Company aggregating to ₹3,151.20 lakhs is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details see ‘Terms of the Issue’ on page 169.

The Issue has been authorised by our Board pursuant to a resolution dated October 27, 2022, and by our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on November 14, 2022.

\*As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price offer the allocation in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to:
  - i. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

*If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.*

**SUMMARY FINANCIAL INFORMATION****STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**

(₹ in Lakhs)

Particulars	Note No.	30.09.22	31.03.22	31.03.21	31.03.20
<b>Equity &amp; Liabilities</b>					
<b>Shareholders Fund</b>					
Share capital	I.1	1050.00	300.00	300.00	300.00
Reserves and surplus	I.2	1,490.35	1,853.14	1,389.94	1,105.68
<b>Total Shareholder's Fund</b>		<b>2,540.35</b>	<b>2,153.14</b>	<b>1,689.94</b>	<b>1,405.68</b>
<b>Non Current Liabilities</b>					
Long Term Borrowings	I.3	1034.28	1104.34	1,253.20	1,725.14
Long term provisions	I.4	68.34	67.58	57.60	49.26
Deferred Tax Liability	I.5	111.53	161.75	158.13	150.95
<b>Total Current Liabilities</b>		<b>1,214.15</b>	<b>1,333.67</b>	<b>1,468.93</b>	<b>1,925.35</b>
<b>Current Liabilities</b>					
Short Term Borrowings	I.6	315.73	887.17	403.48	571.77
Trade Payables	I.7	1797.81	1776.66	2,027.47	1,992.99
Other Current Liabilities	I.8	99.38	89.75	75.44	85.45
Short Term Provisions	I.9	87.91	107.13	44.86	159.18
<b>Total Current Liabilities</b>		<b>2,300.83</b>	<b>2,860.71</b>	<b>2,551.25</b>	<b>2,809.39</b>
<b>Total Equity &amp; Liability</b>		<b>6,055.33</b>	<b>6,347.51</b>	<b>5,710.12</b>	<b>6,140.42</b>
<b>Non-Current Assets</b>					
a) Fixed Assets					
Tangible Assets		1505.46	1488.58	1,511.85	1,941.01
Intangible Assets		0.00	0.00	0.00	0.00
Capital WIP		941.79	827.02	492.35	
<b>Total Fixed Assets (a)</b>	I.10	<b>2,447.25</b>	<b>2,315.60</b>	<b>2,004.19</b>	<b>1,941.01</b>
b) Non Current Investments	I.11	38.63	38.63	10.07	10.07
c) Long Term Loans and Advances	I.12	81.87	76.93	96.87	96.06
d) Other Non Current Assets		0.00	0.00	0.00	0.00
e) Deferred Tax Assets		0.00	0.00	0.00	0.00
<b>Total Non Current Assets</b>		<b>2,567.75</b>	<b>2,431.16</b>	<b>2,111.13</b>	<b>2,047.14</b>
<b>Current assets</b>					
Current Investments		0.00	0.00	0.00	0.00
Inventories	I.13	2,115.27	1,881.49	1,762.61	2,166.79
Trade Receivables	I.14	1,039.02	1,023.27	977.16	1,010.14
Cash and Cash Equivalents balances	I.15	240.46	192.39	231.25	270.07
Short Term Loans and advances	I.16	37.29	755.64	548.66	646.28
Other Current Assets	I.17	55.53	63.57	79.32	0.00
<b>Total Current Assets</b>		<b>3,487.57</b>	<b>3,916.35</b>	<b>3,598.99</b>	<b>4,093.28</b>
<b>Total Assets</b>		<b>6,055.33</b>	<b>6,347.51</b>	<b>5,710.12</b>	<b>6,140.42</b>

## STATEMENT OF PROFIT &amp; LOSS AS RESTATED

(₹ in Lakhs)

Particulars	Note No.	30.09.22	31.03.22	31.03.21	31.03.20
<b>Income</b>					
Revenue from Operations	II.1	4,859.19	8,798.57	7,791.63	7,317.26
Other Income	II.2	15.61	95.04	94.17	54.87
<b>Total Revenue</b>		<b>4,874.80</b>	<b>8,893.61</b>	<b>7,885.80</b>	<b>7,372.13</b>
<b>Expenditure</b>					
Cost of Material Consumed	II.3	2,906.15	5529.38	4,483.30	4,765.63
Changes in Inventories	II.4	-50.14	75.09	365.15	-171.31
Employee Benefit Expenses	II.5	290.51	538.88	422.24	458.23
Other Expenses	II.6	1,070.33	1,749.81	1,869.53	1,849.40
<b>Total (B)</b>		<b>4,216.85</b>	<b>7893.16</b>	<b>7,140.22</b>	<b>6,901.95</b>
<b>Profit Before Interest, Depreciation and Tax</b>		<b>657.95</b>	<b>1000.45</b>	<b>745.59</b>	<b>470.18</b>
Depreciation & amortisation expenses	I.10	54.67	112.04	115.46	167.90
<b>Profit Before Interest and Tax</b>		<b>603.28</b>	<b>888.41</b>	<b>630.13</b>	<b>302.28</b>
Financial Charges	II.7	98.28	267.68	290.37	273.33
<b>Profit before Taxation</b>		<b>505.00</b>	<b>620.73</b>	<b>339.76</b>	<b>28.95</b>
Provision for Taxation		138.00	126.00	51.15	6.82
Provision for Deferred Tax		-50.21	3.62	7.17	15.14
<b>Total</b>		<b>87.79</b>	<b>129.62</b>	<b>58.32</b>	<b>21.96</b>
<b>Profit After Tax but Before Extra ordinary Items</b>		<b>417.22</b>	<b>491.11</b>	<b>281.43</b>	<b>7.00</b>
Extraordinary Items		0.00	0.00	0.00	0.00
Prior Period Items					
<b>Net Profit after adjustments</b>		<b>417.22</b>	<b>491.11</b>	<b>281.43</b>	<b>7.00</b>
<b>Net Profit Transferred to Balance Sheet</b>		<b>417.22</b>	<b>491.11</b>	<b>281.43</b>	<b>7.00</b>

## STATEMENT OF CASH FLOWS AS RESTATED

(₹ in Lakhs)

PARTICULARS	30.09.22	31.03.22	31.03.21	31.03.20
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit Before Tax	<b>505.00</b>	<b>620.73</b>	<b>339.76</b>	<b>28.95</b>
<i>Adjusted for :</i>				
a. Depreciation	54.67	112.04	115.46	167.90
b. Interest Expenses & Finance Cost	98.28	267.68	290.37	273.33
c. Interest & Other Income	(15.61)	(95.04)	(94.17)	(54.87)
d. Other Adjustment		2.09	(5.54)	(44.65)
<b>Operating profit before working capital changes</b>	<b>642.34</b>	<b>907.50</b>	<b>645.87</b>	<b>370.66</b>
<i>Adjusted for :</i>				
a. Decrease / (Increase) in Inventories	(233.78)	(118.88)	404.18	(279.24)
b. Decrease / (Increase) in trade receivable	(15.76)	(46.11)	32.98	(81.38)
c. Decrease / (Increase) in Current Investments	0.00	0.00	0.00	0.00
d. (Increase) / Decrease in short term loans and advances	718.35	(206.98)	97.63	(244.58)
e. Increase / (Decrease) in Trade Payables	21.15	(250.81)	34.48	461.06
f. Increase / (Decrease) in short term provisions	(19.21)	62.26	(114.32)	10.32
g. Increase / (Decrease) in other current liabilities	9.63	14.31	(10.01)	37.06
h. (Increase) / Decrease in Other Current Assets	8.05	15.74	(79.32)	138.35
<b>Cash generated from operations</b>	<b>1130.75</b>	<b>377.04</b>	<b>1011.49</b>	<b>412.24</b>
Income Tax Paid (net of refunds)	138.00	126.00	51.15	6.82
<b>NET CASH GENERATED FROM OPERATION</b>	<b>992.75</b>	<b>251.04</b>	<b>960.34</b>	<b>405.42</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITES</b>				
a. (Purchase) / Sale of Fixed Assets	(186.31)	(423.45)	(170.27)	(180.04)
b. (Purchase) / Sale of non-current investment	0.00	(28.56)	0.00	0.00
c. (Increase) / Decrease in Long term loans and advances	(4.94)	19.94	(0.80)	(12.00)
d. Increase / (Decrease) in Long Term Provisions	0.76	9.97	8.34	13.43
e. (Increase) / Decrease in Other Non Current Assets	0.00	0.00	0.00	0.00
f. (Increase) in Misc. Expenses	0.00	0.00	0.00	0.00
g. Interest & Other Income	15.61	95.04	94.17	54.87
h. Dividend Income	0.00	0.00	0.00	0.00
<b>Net cash (used) in investing activities</b>	<b>(174.89)</b>	<b>(327.06)</b>	<b>(68.56)</b>	<b>(123.74)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITES</b>				
a. Interest & Finance Cost	(98.28)	(267.68)	(290.37)	(273.33)
b. Proceeds from share issued / application	0.00	0.00	0.00	0.00
c. (Repayments) / proceeds of long term borrowings	(70.07)	(148.86)	(471.94)	(316.02)
d. (Repayments) / proceeds of short term borrowings	(571.44)	483.69	(168.29)	428.90
e. Dividend Paid	(30.00)	(30.00)	0.00	0.00
<b>Net cash generated/(used) in financing activities</b>	<b>(769.79)</b>	<b>37.15</b>	<b>(930.60)</b>	<b>(160.45)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>48.07</b>	<b>(38.87)</b>	<b>(38.82)</b>	<b>121.24</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>192.39</b>	<b>231.25</b>	<b>270.07</b>	<b>148.84</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>240.46</b>	<b>192.38</b>	<b>231.25</b>	<b>270.07</b>

## GENERAL INFORMATION

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra dated June 16, 1994 with the name ‘Ducol Organics & Colours Private Limited’. Our Company was converted into a public limited company and the name of our Company was changed to ‘Ducol Organics And Colours Limited’ by a special resolution passed on June 20, 2022. A fresh Certificate of Incorporation consequent upon conversion was issued on July 1, 2022 by the Registrar of Companies, Maharashtra.

<b>Company Identification Number</b>	U24239MH1994PLC079015
<b>Address of Registered office of Company</b>	Office No 302, Express Building, 14-E Road, Churchgate, Mumbai – 400020, Maharashtra, India
<b>Address of Corporate office of Company</b>	Plot No. 22/2, Taloja, Taluka Panvel, Raigad, Maharashtra India
<b>Address of Registrar of Companies</b>	<b>Registrar of Companies, Maharashtra, Mumbai</b> <b>Address:</b> Everest, 100, Marine Drive, Mumbai – 400002 <b>Tel No:</b> + 91 22 22812627/22020295/22846954 <b>Fax No:</b> +91 22 22811977
<b>Designated Stock Exchange</b>	National Stock Exchange of India Limited
<b>Listing of Shares offered in this Issue</b>	NSE Emerge (SME Platform of NSE)
<b>Contact Person:</b>	Sabina Bee Qureshi, Company Secretary and Compliance Officer Office No 302, Express Building, 14-E Road, Churchgate, Mumbai – 400020, Maharashtra, India Tel: +91 22 4608 2353 Fax: Not Available E-mail: ipo@ducol.com Website: www.ducol.com

For details of the changes in our Name, Registered Office and other details, please refer “*History and Certain Other Corporate Matters*” on page 85.

### Our Board of Directors

Details regarding our Board of Directors as on the date of this Prospectus are set forth in the table hereunder:

<b>Sr. No.</b>	<b>Name and Designation</b>	<b>PAN</b>	<b>DIN</b>	<b>Address</b>
1.	<b>Aamer Ahmed Farid</b> <i>Managing Director</i>	AAAPF0417G	00711705	1001/1002, United Crystal Building, 10 <sup>th</sup> Floor, Maghraj Sethi Marg, Opposite Baby Garden, Agripada, Mumbai Central, Mumbai – 400008, Maharashtra, India
2.	<b>Hani Ahmed Farid</b> <i>Whole time Director</i>	AAAPF0416H	00711968	1001/1002, United Crystal Building, 10 <sup>th</sup> Floor, Maghraj Sethi Marg, Opposite Baby Garden, Agripada, Mumbai Central, Mumbai – 400008, Maharashtra, India
3.	<b>Ratnakar Venkappa Rai</b> <i>Independent Director</i>	AFBPR2707M	00126309	G2/503, Sphene, Moraj Residency, Kasturi Co-op Housing Society, Palm Beach Road, New Mumbai, Sanpada – 400705, Thane, Maharashtra, India
4.	<b>Shivani S. Tiwari</b> <i>Independent Director</i>	AIHPT7680E	09359208	C-4, Kamlesh Apartment, Parsi Panchayat Road, Opp. Sona Udyog, Andheri East, Mumbai – 400069, Maharashtra, India
5.	<b>Abhishek Agrawal</b> <i>Independent Director</i>	ASHPA2459A	09624370	Nawrang Market Complex, Main Road, Brajarajnagar, Jharsuguda – 768216, Odisha, India

For detailed profile of our Managing Director and other Directors, please refer “*Our Management*” and “*Our Promoters*

and Promoter Group" on page 88 and 100 respectively.

### **Company Secretary and Compliance Officer**

Our Company has appointed Sabina Bee Qureshi, the Company Secretary of our Company, as the Compliance Officer, whose contact details are set forth hereunder.

**Sabina Bee Qureshi,  
Company Secretary and Compliance Officer**  
Office No 302, Express Building,  
14-E Road, Churchgate, Mumbai – 400020,  
Maharashtra, India  
Tel: +91 22 4608 2353  
E-mail: cs@ducol.com

### **Chief Financial Officer**

Our Company has appointed Manisha Agrawal, as the Chief Financial Officer. Her contact details are set forth hereunder.

**Manisha Agrawal**  
Office No 302, Express Building,  
14-E Road, Churchgate, Mumbai – 400020,  
Maharashtra, India  
Tel: +91 22 4608 2353  
E-mail: cfo@ducol.com

**Applicants can contact the Compliance Officer or the Lead Manager or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account and refund orders, etc. All complaints, queries or comments received by Stock Exchange / SEBI shall be forwarded to the Lead Manager, who shall respond to the same.**

Applicants may contact the Lead Manager for complaints, information or clarifications pertaining to the Issue.

All grievances 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 Applicant should give full details such as name of the sole or first Applicant, ASBA Form number, Applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

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

<b>Lead Manager of the Issue</b>	<b>Registrar to the Issue</b>
<b>FIRST OVERSEAS CAPITAL LIMITED</b> 1-2 Bhupen Chambers, Dalal Street, Fountain, Mumbai – 400 001, Maharashtra, India. <b>Tel No.:</b> +91 22 4050 9999 <b>Fax No:</b> +91 22 4050 9900 <b>Email:</b> satish@focl.in / mala@focl.in <b>Investor Grievance Email:</b> investorcomplaints@focl.in <b>Website:</b> www.focl.in <b>SEBI Registration No:</b> INM000003671 <b>Contact Person:</b> Satish Sheth / Mala Soneji	<b>Bigshare Services Private Limited</b> Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai – 400 093, Maharashtra, India <b>Telephone:</b> +91 22 6263 8200 <b>Email:</b> ipo@bigshareonline.com <b>Investor grievance email:</b> investor@bigshareonline.com <b>Website:</b> www.bigshareonline.com <b>Contact Person:</b> Babu Rapheal <b>SEBI Registration No.:</b> INR000001385
<b>Banker to the Company</b>	<b>Banker to the Company</b>
<b>Apna Sahakari Bank Limited</b> Apna Bank Bhavan, Dr. S. S. Rao Road, Parel, Mumbai - 400 012, Maharashtra, India <b>Tel. :</b> +91 22 24104861/62 <b>Fax:</b> +91 22 24104680	<b>NKGSB Co-operative Bank Limited</b> Laxmi Sadan, 361 V P Road, Girgaum, Mumbai – 400004, Maharashtra, India <b>Tel. :</b> +91 22 67545016 / 77 / 78 / 52 <b>Email Id:</b> girgaum02@nkgsb-bank.com

<b>Email Id:</b> Loan@apnabank.co.in <b>Website:</b> www.apnabank.co.in <b>Contact Person:</b> Rajan Hombalkar	<b>Website:</b> www.nkgsb-bank.com
<b>Legal Advisor to the Issue</b>	<b>Statutory Auditor of the Company and Peer Review Auditor</b>
<b>Pabari Legal Associates</b> Advocate & Legal Associates C2-503, 5 <sup>th</sup> Floor, Sarova, Near Thakur College, Near Samta Nagar Post Office, Kandivali East, Mumbai 400101, Maharashtra, India <b>Tel No.:</b> +91 9322376203 <b>Email:</b> pabaramukesh@gmail.com <b>Contact Person:</b> Mukesh J Pabari	<b>M/s. Choudhary Choudhary &amp; Co.,</b> Chartered Accountants 338, 3rd Floor, V Spaces; V-Mall, Thakur Complex, Kandivali East, Mumbai 400101, Maharashtra, India <b>Tel No.:</b> +91 95941 89162 <b>Email:</b> firm@ccco.co.in <b>Contact Person:</b> CA Alok Kumar Mishra <b>Membership No:</b> 124184 <b>Firm Registration No:</b> 002910C <b>Peer Review Certificate No.:</b> 014025
<b>Escrow and sponsor Banker to the Issue</b>	
<b>Axis Bank Limited</b> Shop No. 1-7, Venus Tower, Azad Nagar Road 2, Veera Desai Road, Andheri West, Mumbai – 400058, Maharashtra, India <b>Tel.:</b> +91-22- 26733637 <b>Fax:</b> +91-22- 26733697 <b>Email Id:</b> veeradesairoad.branchhead@axisbank.com <b>Website:</b> www.axisbank.com <b>SEBI Registration No:</b> INR000003639 <b>Contact Person:</b> Sheetal Sandesh Vichare	

### Changes in Auditors for last three years

M/s. Choudhary Choudhary & Co., Chartered Accountants were appointed as Statutory Auditors of our Company for the FY 2022-23 in place of M/s R.H. Modi & Co., Chartered Accountants as, M/s R.H. Modi & Co., Chartered Accountants couldn't continue due to preoccupations and paucity of time. M/s. R.H. Modi & Co., Chartered Accountants were appointed as Statutory Auditors of our Company for FY 2021-22 in place of M/s A P & Co., Chartered Accountants to comply with the requirement of peer review auditor in SME IPO.

### DESIGNATED INTERMEDIARIES

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

The list of SCSBs is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which an Applicant, not applying through Syndicate/ Sub Syndicate or through a Registered Broker, CTRA or CDP may submit the Application Forms available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> on the SEBI website, or at such other website as may be prescribed by SEBI from time to time.

#### Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the NSE i.e. [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

#### RTAs

The list of the RTAs eligible to accept application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchange [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

#### Collecting Depository Participants

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

### **Credit Rating**

This being an issue of Equity Shares, there is no requirement of credit rating for the Issue.

### **IPO Grading**

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

### **Statement of Responsibility of the Lead Manager/Statement of *inter se* allocation of responsibilities**

Since First Overseas Capital Limited is the sole Lead Manager to this Issue, a statement of *inter se* allocation of responsibilities amongst Lead Managers is not required.

### **Expert Opinion**

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

Our Company has received written consent from the Statutory Auditor namely, M/s. Choudhary Choudhary & Co., Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports of the Peer Reviewed Auditor on the Restated Financial Statements, dated November 15, 2022 and such consent has not been withdrawn as on the date of this Prospectus.

Our Company has received written consent from our Statutory Auditor namely, M/s. M/s. Choudhary Choudhary & Co., Chartered Accountants to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and the statement of tax benefits dated November 15, 2022 included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

### **Debenture Trustees**

This is an issue of equity shares; hence appointment of debenture trustee is not required.

### **Appraisal and Monitoring Agency**

The objects of the Issue have not been appraised by any agency.

The Objects of the Issue and means of finance, therefore, are based on internal estimates of our Company. In terms of Regulation 41 of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Issue size is not in excess of ₹10,000 lakhs.

### **Filing of the Offer Document**

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

Further, pursuant to SEBI Circular Number CFD/DIL1/CIR/P/2019/0000000154 dated December 11, 2019, a copy of the Prospectus along with the due diligence certificate including additional confirmations required to be filed under Section 26 of the Companies Act, 2013 will be filed with SEBI.

A copy of the Prospectus, along with the material contracts and documents referred elsewhere in the Prospectus, will be delivered to the RoC Office situated at 100, Everest, Marine Drive, Mumbai - 400 002, Maharashtra, India.

## Underwriting Agreement

This Issue is 100% Underwritten. The Underwriting agreement is dated December 20, 2022. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriter has indicated its intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of shares underwritten*	Amount Underwritten (₹in lakhs)	% of the Total Issue Size Underwritten
<b>First Overseas Capital Limited</b> 1-2 Bhupen Chambers, Dalal Street, Fountain, Mumbai – 400 001, Maharashtra, India. Tel No.: +91 22 4050 9999; Email: <a href="mailto:rushabh@focl.in">rushabh@focl.in</a> / <a href="mailto:mala@focl.in">mala@focl.in</a> Website: <a href="http://www.focl.in">www.focl.in</a> SEBI Registration No: INM000003671 Contact Person: Mr. Rushabh Shroff/ Ms. Mala Soneji	6,06,400	472.99	15.01%
<b>BHH Securities Private Limited</b> 634, Rotunda Building, Bombay Samachar Marg, Mumbai - 400023 Tel No.:+91-22-30289783,30289874 Email: <a href="mailto:info@bhhsecurities.com">info@bhhsecurities.com</a> Contact Person: Rahul Harlalka SEBI Registration No: INZ000262331	34,33,600	2,678.21	84.99%
<b>TOTAL</b>	<b>40,40,000</b>	<b>3,151.20</b>	<b>100.00%</b>

In the opinion of our Board of Directors, the resources of the above-mentioned Underwriter are sufficient to enable them to discharge the underwriting obligations in full. The abovementioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

## Details of the Market Making Arrangement for this Issue

Our Company has entered into Market Making Agreement dated December 20, 2022, with the Lead Manager and Market Maker, duly registered with NSE to fulfil the obligations of Market Making:

The details of Market Maker are set forth below:

**BHH Securities Private Limited**  
634, Rotunda Building, Bombay Samachar Marg, Mumbai - 400023  
Tel No.:+91-22-30289783,30289874  
Email: [info@bhhsecurities.com](mailto:info@bhhsecurities.com)  
Contact Person: Rahul Harlalka  
SEBI Registration No: INZ000262331

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by NSE and SEBI regarding this matter from time to time. Following is a summary of the key details pertaining to the Market Making arrangement:

- 1) The Market Maker 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 shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
- 2) The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.

- 3) After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of market maker in our Company reaches to 25%. (Including the 5% of Equity Shares of the Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 5% of Issue Size would not be taken in to consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
- 4) There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
- 5) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
- 6) 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.
- 7) On the day of 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 listing on the discovered price during the pre-open call auction.
- 8) 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.
- 9) The Market Maker shall have the right to terminate said arrangement by giving a six-month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker.

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 Lead Manager 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. Further the Company and the Lead Manager reserve the right to appoint other Market Maker 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 particulars point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

- 10) **Risk containment measures and monitoring for Market Makers:** SME Platform of NSE will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
- 11) **Punitive Action in case of default by Market Makers:** SME Platform of NSE 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 Stock 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.

- 12) **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹250 crores, the applicable price bands for the first day shall be:
  - (a) 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.
  - (b) 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 following spread will be applicable on the SME Platform of BSE.

<b>Sr. No.</b>	<b>Market Price Slab (in ₹)</b>	<b>Proposed spread (in % to sale price)</b>
1	Up to 50	9
2	50 to 75	8
3	75 to 100	6
4	Above 100	5

13) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market maker(s) 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 Crores	25%	24%
₹20 to ₹50 Crores	20%	19%
₹50 to ₹80 Crores	15%	14%
Above ₹80 Crores	12%	11%

**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 Equity Share capital of our Company, as on the date of this Prospectus and after giving effect to the Issue is set forth below:

No.	Particulars	Amount (₹ in lakhs)	
		Aggregate nominal value	Aggregate value at Issue Price
<b>A. Authorised Share Capital</b>			
1,50,00,000 Equity Shares of ₹10.00 each		1,500.00	-
<b>B. Issued, Subscribed and Paid-Up Share Capital before the Issue</b>			
1,05,00,000 Equity Shares of ₹10.00 each		1,050.00	-
<b>C. Present Issue in terms of this Prospectus</b>			
Issue of 40,40,000 Equity Shares for cash at a price of ₹78.00 per Equity Share		404.00	3,151.20
<b>Which comprises:</b>			
4,01,600 Equity Shares of ₹10.00 each at a price of ₹78.00 per Equity Share reserved as Market Maker portion		40.16	313.25
Net Issue to the Public of 36,38,400 Equity Shares of ₹10.00 each at a price of ₹78.00 per Equity Share		363.84	2,837.95
<b>Of which:</b>			
18,19,200 Equity Shares of ₹10.00 each at a price of ₹78.00 per Equity Share will be available for allocation to Retail Individual Investors upto ₹2,00,000/-		181.92	1,418.98
18,19,200 Equity Shares of ₹10.00 each at a price of ₹78.00 per Equity Share will be available for allocation to Other than Retail Individual Investors above ₹2,00,000/-		181.92	1,418.98
<b>D. Issued, Subscribed and Paid-up Share Capital after the Issue</b>			
1,45,40,000 Equity Shares of ₹10.00 each		1,454.00	-
<b>E. Securities Premium Account</b>			
Before the Issue			Nil
After the Issue			2,747.20

*The Issue has been authorised by our Board pursuant to a resolution dated October 27, 2022, and by our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on November 14, 2022.*

### Class of Shares

The company has only one class of shares i.e. Equity shares of ₹ 10/- each only and all Equity Shares are ranked pari-passu in all respects.

All Equity Shares issued are fully paid-up as on date of the Prospectus. Our Company has not issued any partly paid-up equity shares since its incorporation nor it does have any partly paid-up equity shares as on the date of the Prospectus.

Our Company does not have any outstanding convertible instruments as on the date of the Prospectus.

## Notes to the Capital Structure

### 1. Details of changes in authorised Share Capital:

The authorised share capital of our Company has been altered in the manner set forth below:

Particulars of Change		Date of Members Meeting	AGM/EGM
From	To		
₹1,00,00,000 consisting of 10,00,000 Equity shares of ₹10.00 each.		Till FY 1996*	--
₹1,00,00,000 consisting of 10,00,000 Equity shares of ₹10.00 each.	₹3,00,00,000 consisting of 30,00,000 Equity shares of ₹10.00 each.	March 7, 2012	EGM
₹3,00,00,000 consisting of 30,00,000 Equity shares of ₹10.00 each.	₹15,00,00,000 consisting of 1,50,00,000 Equity shares of ₹10.00 each.	May 5, 2022	EGM

\*Forms not available

### 2. History of Issued and Paid-Up Share Capital of our Company

The history of the equity share capital of our Company is set forth below:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (₹)	Cumulative Share Premium (₹)
Upon Incorporation	20	10	10	Subscription to MoA <sup>(1)</sup>	Cash	20	1,00,000	Nil
01-10-1994*	49,980	10	10	Further Allotment <sup>(2)</sup>	Cash	50,000	5,00,000	Nil
24-03-1995*	50,000	10	10	Further Allotment <sup>(3)</sup>	Cash	1,00,000	10,00,000	Nil
03-08-1995*	9,00,000	10	10	Further Allotment <sup>(4)</sup>	Cash	10,00,000	1,00,00,000	Nil
26-03-2012	5,00,000	10	10	Further Allotment <sup>(5)</sup>	Cash	15,00,000	1,50,00,000	Nil
30-11-2012	15,00,000	10	10	Further Allotment <sup>(6)</sup>	Cash	30,00,000	3,00,00,000	Nil
12-05-2022	75,00,000	10	Nil	Bonus Issue in the ratio of 5:2 <sup>(7)</sup>	Nil	1,05,00,000	10,50,00,000	Nil

\*Forms not available

- Initial allotment to Aamer Ahmed Farid and Ali Mohmedali Bagash, of 10 Equity Shares each being the subscribers to the MoA of our Company.
- Allotment to 12,490 Equity Shares to Aamer Ahmed Farid; 24,990 Equity Shares to Ali Mohmedali Bagash and 12,500 Equity Shares to Hani Ahmed Farid.
- Allotment to 12,500 Equity Shares to Aamer Ahmed Farid; 25,000 Equity Shares to Ali Mohmedali Bagash and 12,500 Equity Shares to Hani Ahmed Farid.
- Allotment to 2,25,000 Equity Shares to Aamer Ahmed Farid; 4,50,000 Equity Shares to Ali Mohmedali Bagash and 2,25,000 Equity Shares to Hani Ahmed Farid.
- Allotment of 2,50,000 Equity Shares each to Aamer Ahmed Farid and Hani Ahmed Farid.
- Allotment of 5,00,000 Equity Shares each to Aamer Ahmed Farid; Ali Mohmedali Bagash and Hani Ahmed Farid.
- Allotment of 25,00,000 Equity Shares each to Aamer Ahmed Farid; Ali Mohmedali Bagash and Hani Ahmed Farid.

### 3. Issue of Equity Shares for Consideration other than Cash.

- Other than the Bonus issue of Equity Shares as mentioned in point no. 2 above, our Company has not allotted any Equity Shares for consideration other than cash, since its incorporation.

4. No Equity Shares have been allotted pursuant to any scheme approved under Sections 391-394 of the Companies Act, 1956 or Section 230-233 of the Companies Act, 2013.
5. We have not issued any equity share (including bonus shares) by capitalizing any revaluation reserves.
6. ***Issue of Shares in the preceding two years***

Following Equity Shares were issued by our Company in the preceding two years:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration
12-05-2022	75,00,000	10	Nil	Bonus Issue in the ratio of 5:2*	Nil

\*Allotment of 25,00,000 Equity Shares each to Aamer Ahmed Farid; Ali Mohmedali Bagash and Hani Ahmed Farid.

7. ***Issue of Equity Shares in the last one year at a Price lower than the Issue Price:***

Other than as mentioned below, Equity Shares were issued in last one year immediately preceding the date of the Prospectus at a price which is lower than the Issue Price.

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration
12-05-2022	75,00,000	10	Nil	Bonus Issue in the ratio of 5:2*	Nil

\*Allotment of 25,00,000 Equity Shares each to Aamer Ahmed Farid; Ali Mohmedali Bagash and Hani Ahmed Farid.

8. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme 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.
9. As on the date of the Prospectus, our Company does not have any preference share capital.

10. ***Build Up of our Promoters' Shareholding, Promoters' Contribution and Lock-In***

As on the date of this Prospectus, our Promoters hold 56,02,090 Equity Shares, constituting 53.35% of the pre-issued, subscribed, and paid-up Equity Share capital of our Company.

- a) ***Build-up of our Promoters' shareholding in our Company***

Date of Allotment / Transfer	Nature of acquisition (Allotment / Acquired/ transfer)	Number of Equity Shares	Face Value per Equity Share (in ₹)	Issue Price /Acquisition Price / Transfer price per Equity Share (in ₹)	Nature of Consideration	Percentage of Pre-Issue Equity Share Capital (%)	Percentage of Post-Issue Equity Share Capital (%)
<b>Aamer Ahmed Farid</b>							
Upon Incorporation	Further Allotment	10	10	10	Cash	0.00%	0.00%
01-10-1994#	Further Allotment	12,490	10	10	Nil	0.12%	0.09%
24-03-1995#	Further Allotment	12,500	10	10	Cash	0.12%	0.09%
03-08-1995#	Further Allotment	2,25,000	10	10	Cash	2.14%	1.55%
26-03-2012	Further Allotment	2,50,000	10	10	Cash	2.38%	1.72%

30-11-2012	Further Allotment	5,00,000	10	10	Cash	4.76%	3.44%
12-05-2022	Bonus Issue in the ratio of 5:2	25,00,000	10	Nil	Nil	23.81%	17.19%
18-06-2022	Transfer <sup>(1)</sup>	-3,00,000	10	25	Cash	-2.86%	-2.06%
26-09-2022	Transfer <sup>(2)</sup>	-2,30,000	10	80	Cash	-2.19%	-1.58%
03-11-2022	Transfer <sup>(3)</sup>	-70,000	10	80	Cash	-0.67%	-0.48%
30-09-2022	Transfer <sup>(4)</sup>	-70,000	10	80	Cash	-0.67%	-0.48%
23-12-2022	Transfer <sup>(8)</sup>	-25,200	10	60	Cash	-0.24%	-0.17%
26-12-2022	Transfer <sup>(9)</sup>	-4,000	10	60	Cash	-0.04%	-0.03%
	<b>Sub-Total</b>	<b>28,00,800</b>				<b>26.67%</b>	<b>19.26%</b>
<b>Hani Ahmed Farid</b>							
01-10-1994#	Further Allotment	12,500	10	10	Cash	0.12%	0.09%
24-03-1995#	Further Allotment	12,500	10	10	Cash	0.12%	0.09%
03-08-1995#	Further Allotment	2,25,000	10	10	Cash	2.14%	1.55%
26-03-2012	Further Allotment	2,50,000	10	10	Cash	2.38%	1.72%
30-11-2012	Further Allotment	5,00,000	10	10	Cash	4.76%	3.44%
12-05-2022	Bonus Issue in the ratio of 5:2	25,00,000	10	Nil	Nil	23.81%	17.19%
18-06-2022	Transfer <sup>(5)</sup>	-3,00,010	10	25	Cash	-2.86%	-2.06%
28-09-2022	Transfer <sup>(6)</sup>	-2,30,000	10	80	Cash	-2.19%	-1.58%
03-11-2022	Transfer <sup>(7)</sup>	-1,40,000	10	80	Cash	-1.33%	-0.96%
23-12-2022	Transfer <sup>(10)</sup>	-28,700	10	60	Cash	-0.27%	-0.20%
	<b>Sub-Total</b>	<b>28,01,290</b>				<b>26.68%</b>	<b>19.26%</b>
	<b>Total</b>	<b>56,02,090</b>				<b>53.35%</b>	<b>38.52%</b>

#Forms not available.

<sup>(1)</sup>Transfer of 1,00,000 Equity Shares each to Santosh Kudva, Vinayak Kudva and Virtuous Capital Limited.<sup>(2)</sup> Transfer to the following:

Name of Transferee	No. of Equity Shares
Sushrut Shashank Desai	1,00,000
Nikhil Sharad Harlalka	20,000
Shilpa Nikhil Harlalka	12,000
Sharad Beharilal Harlalka	65,000
Santosh Kashiprasad Nemanji	10,000
Nidhi Rahul Harlalka	16,000
Rahul Sharad Harlalka	7,000

<sup>(3)</sup>Transfer of 70,000 Equity Shares to Sandip Kanaiyalal Parikh.<sup>(4)</sup>Transfer of 70,000 Equity Shares to Gaurav Parikh.<sup>(5)</sup>Transfer of 1,00,000 Equity Shares each to Santosh Kudva, Vinayak Kudva and Virtuous Capital Limited and 10 Equity Shares to Deep Shukla.<sup>(6)</sup> Transfer to the following:

Name of Transferee	No. of Equity Shares
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Geeta Bharat Sampat	1,00,000
Nikhil S. Harlalka	20,000
Shilpa Nikhil Harlalka	12,000
Sharad Beharilal Harlalka	65,000
Nidhi Rahul Harlalka	16,000
Santosh Kashiprasad Nemanji	10,000
Rahul Sharad Harlalka	7,000

(7) Transfer of 70,000 Equity Shares each to Pranav R. Shah and Gaurav Parikh.

(8) Transfer to the following:

<b>Name of Transferee</b>	<b>No. of Equity Shares</b>
SUNIL KUMAR RAMDEO MEHTA	2,000
SWAPNIL SURESH KANADE	4,000
PARMESHWAR JAGANNATH GHADGE	2,000
MAHESH GOVINDRAO SHIRKE	4,000
MAHENDRA RAMRAO KADAM	2,000
PRABHAKAR SHANTARAM CHAVAN	700
RAJU MAHADEV TAMBE	1,000
ATUL R SETHI	9,000
SAJEED SHAIKH	500

(9) Transfer of 4,000 Equity Shares to Milind More.

(10) Transfer to the following:

<b>Name of Transferee</b>	<b>No. of Equity Shares</b>
YUSUF NOOR MD SHAIKH	6000
SUHRID PATIL	500
KAMLESH CHAK	2,000
DHANIRAM UMRAO KHUSHWAHA	2,500
JAY LAHU BHAWAR	2,000
JAMILBABU SHAMSUDDIN SHAIKH	1,600
RAJENDRA MAHADEO BAGAL	6,000
BHAT PRAKASH LAXMINARAYAN	1500
FAIZAN MOHAMMAD SHAIKH	2500
DEU BHAU MANDHARE	1000
RAMAKANT DHANRAJ PATIL	1,000
HABIBUR REHMAN AK SHAIKH	1,600
BILAL MOHD FAROOQ SHAIKH	500

Our Promoters have confirmed to the Company and the Lead Manager that the acquisition of the Equity Shares forming part of the Promoters' Contribution has been financed from personal funds/internal accruals and no financial assistance from any banks or financial institution has been availed by our Promoters for this purpose. All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. As on the date of this Prospectus, none of the Equity Shares held by our Promoters are pledged.

b) *Details of Promoter's Contribution Locked-in for Three Years*

Pursuant to Regulations 236 and 238 of the SEBI (ICDR) Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoters shall be provided towards minimum promoters' contribution and locked-in for a period of three years from the date of Allotment ("Minimum Promoters' Contribution"). Details of the Equity Shares (eligible for inclusion in the Minimum Promoters' Contribution, in terms of Regulation 33 of the SEBI (ICDR) Regulations) forming part of Minimum Promoters' Contribution and proposed to be locked-in for a period of three years are as follows:

Date of Allotment / Transfer	Nature of acquisition (Allotment/ Acquired/ transfer)	Number of Equity Shares	Face Value per Equity Share (in ₹)	Issue Price /Acquisition Price / Transfer price per Equity Share (in ₹)	Nature of Consideration	Percentage of Pre-Issue Equity Share Capital (%)	Percentage of Post-Issue Equity Share Capital (%)
<b>Aamer Ahmed Farid</b>							
12-05-2022	Bonus Issue in the ratio of 5:2	14,54,000	10	Nil	Nil	13.85%	10.00%
	<b>Sub-Total</b>	<b>14,54,000</b>				<b>13.85%</b>	<b>10.00%</b>
<b>Hani Ahmed Farid</b>							
12-05-2022	Bonus Issue in the ratio of 5:2	14,54,000	10	Nil	Nil	13.85%	10.00%
	<b>Sub-Total</b>	<b>14,54,000</b>				<b>13.85%</b>	<b>10.00%</b>
	<b>Total</b>	<b>29,08,000</b>				<b>27.70%</b>	<b>20.00%</b>

Our Promoters have granted written consent to include such number of Equity Shares held by him as may constitute 20% of the post issue Equity Share capital of our Company as Minimum Promoters' Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Minimum Promoters' Contribution from the date of filing of this Prospectus until the commencement of the lock-in period specified above, or for such other time as required under SEBI (ICDR) Regulations, except as may be permitted, in accordance with the SEBI (ICDR) Regulations.

In terms of Regulation 237 of the SEBI (ICDR) Regulations, 2018, we confirm that the Minimum Promoters' Contribution of 20% of the Post Issue Capital of our Company as mentioned above does not consist of;

- Equity Shares acquired during the preceding three years for;
  - consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction;
  - resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the company or from bonus issue against equity shares which are ineligible for minimum Promoters' contribution;
- The Equity Shares held by the Promoters and offered for Minimum Promoters' contribution which are subject to any pledge with any creditor;
- Equity Shares acquired by Promoters during the preceding one year at a price lower than the price at which equity shares are being offered to public in the Initial Public offer;
- No Equity shares have been issued to our promoters upon conversion of a partnership firm during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms or limited liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoters of the issuer and there is no change in the management are ineligible for Minimum Promoters' Contribution.

c) *Equity Shares locked-in for one year*

In addition to Minimum Promoters' Contribution which shall be locked-in for three years, the balance Equity Shares held by Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer as provided in clause (b) of Regulation 238 of the SEBI (ICDR) Regulations, 2018.

d) *Other requirements in respect of 'lock-in'*

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-issue capital held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Issue.

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

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

- In case of Minimum Promoters' Contribution, the loan has been granted to the issuer company or its subsidiary (ies) for the purpose of financing one or more of the Objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan.
- In case of Equity Shares held by Promoters in excess of Minimum Promoters' contribution, the pledge of equity shares is one of the terms of sanction of the loan.

However, lock in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock in period stipulated has expired.

**Transferability of Locked in Equity Shares:**

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

- The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lockin period stipulated has expired.

## 11. Our shareholding pattern

Pursuant to Regulation 31 of the SEBI (LODR) Regulations, the holding of specified securities is divided into the following three categories: (a) Promoter and Promoter Group; (b) Public; and (c) Non-Promoter - Non-Public.

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid-up equity shares held (V)	No. of underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV) + (V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (XI)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) As a % of (A+B+C2) (XI) = (VII) + (X)	Number of Locked in shares (XII)	Number of Shares pledged or otherwise encumbered (XIII)	Number of equity shares held in dematerialized form (XIV)
								Class Equity	Class : preference	Total as a % of (A+B + C)					
(A)	Promoter & Promoter Group	3	83,43,490	-	-	83,43,490	79.46	83,43,490	-	83,43,490	79.46	-	-	-	83,43,490
(B)	Public	88	21,56,510	-	-	21,56,510	20.54	21,56,510	-	21,56,510	20.54	-	-	-	21,56,510
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	Nil
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>		<b>91</b>	<b>1,05,00,000</b>	-	-	<b>1,05,00,000</b>	<b>100.00</b>	<b>1,05,00,000</b>	-	<b>1,05,00,000</b>	<b>100.00</b>	-	-	-	<b>1,05,00,000</b>

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

- (a) Our Company will file the shareholding pattern of our Company in the form prescribed under Regulation 31 of SEBI (LODR) Regulations, one day prior to the listing of the Equity Shares. The shareholding pattern will be uploaded on the website of NSE before commencement of trading of our Equity Shares.
- (b) There are no Equity Shares against which depository receipts have been issued.
- (c) Other than the Equity Shares, there is no other class of securities issued by our Company.

12. The shareholding pattern of our Promoters and Promoter Group before and after the Issue is set forth below:

Sr. No.	Particulars	Pre-Issue		Post-Issue	
		No. of Shares	% Holding	No. of Shares	% Holding
<b>a) Promoters</b>					
	Aamer Ahmed Farid	28,00,800	26.67	28,00,800	19.26
	Hani Ahmed Farid	28,01,290	26.68	28,01,290	19.27
	<b>Total</b>	<b>56,02,090</b>	<b>53.35</b>	<b>56,02,090</b>	<b>38.53</b>
<b>b) Promoter Group</b>					
	Ali Mohmedali Bagash	27,41,400	26.11	27,41,400	18.85
	<b>Total</b>	<b>27,41,400</b>	<b>26.11</b>	<b>27,41,400</b>	<b>18.85</b>
	<b>Grand Total</b>	<b>83,43,490</b>	<b>79.46</b>	<b>83,43,490</b>	<b>57.38</b>

13. The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below:

Name of the Promoters	No. of Equity Shares held	Average cost of Acquisition (in ₹)
Aamer Ahmed Farid	28,00,800	-10.30
Hani Ahmed Farid	28,01,290	-10.29

14. None of our Directors or Key Managerial Personnel hold Equity Shares in our Company, other than as set forth below:

Name	No. of Equity Shares held	Pre-Issue percentage of Shareholding
<b>Directors</b>		
Aamer Ahmed Farid	28,00,800	26.67%
Hani Ahmed Farid	28,01,290	26.68%
Abhishek Agrawal	47,400	0.45%
Ratnakar V. Rai	10,000	0.10%
<b>Key Managerial Personnel</b>		
SABINA BEE MOHAMMED SHAHID QURESHI	1600	0.02%

### 15. Major shareholders

The list of our major shareholders and the number of Equity Shares held by them is provided below:

a. *List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date of the Prospectus:*

Sr. No.	Name of shareholder	No. of Equity Shares	% of Issued Capital
1.	Aamer Ahmed Farid	28,00,800	26.67%
2.	Hani Ahmed Farid	28,01,290	26.68%
3.	Ali Mohmedali Bagash	27,41,400	26.11%
4.	Vinayak Gopal Krishna Kudva	2,42,000	2.30%
5.	Santosh Gopal Krishna Kudva	2,26,000	2.15%
6.	Sharad B. Harlalka	1,90,200	1.81%
7.	Virtuous Capital Limited	1,43,000	1.36%
	<b>Total</b>	<b>91,44,690</b>	<b>87.08%</b>

b. *List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date two years prior to the date of the Prospectus:*

Sr. No.	Name of shareholder	No. of Equity Shares	% of Issued Capital
1.	Aamer Ahmed Farid	10,00,000	33.33%
2.	Hani Ahmed Farid	10,00,000	33.33%

3. Ali Mohmedali Bagash	10,00,000	33.33%
<b>Total</b>	<b>30,00,000</b>	<b>100.00%</b>

c. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date one year prior to the date of the Prospectus:

Sr. No.	Name of shareholder	No. of Equity Shares	% of Issued Capital
1.	Aamer Ahmed Farid	10,00,000	33.33%
2.	Hani Ahmed Farid	10,00,000	33.33%
3.	Ali Mohmedali Bagash	10,00,000	33.33%
	<b>Total</b>	<b>30,00,000</b>	<b>100.00%</b>

d. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date ten days prior to the date of the Prospectus:

Sr. No.	Name of shareholder	No. of Equity Shares	% of Issued Capital
1.	Aamer Ahmed Farid	28,30,000	26.95%
2.	Hani Ahmed Farid	28,29,990	26.95%
3.	Ali Mohmedali Bagash	27,70,000	26.38%
4.	Vinayak Gopal Krishna Kudva	2,42,000	2.35%
5.	Santosh Gopal Krishna Kudva	2,26,000	2.15%
6.	Sharad B. Harlalka	1,90,200	1.81%
7.	Virtuous Capital Limited	1,43,000	1.36%
	<b>Total</b>	<b>92,31,190</b>	<b>87.95%</b>

16. 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 this Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.

17. Other than as mentioned below, none of our Promoters, members of our Promoter Group or our Directors or their immediate relatives have sold or purchased Equity Shares by any other person during the six months immediately preceding the date of this Prospectus.

Date of Allotment / Transfer	Nature of acquisition (Allotment/ Acquired/ transfer)	Number of Equity Shares	Face Value per Equity Share (in ₹)	Issue Price /Acquisition Price / Transfer price per Equity Share (in ₹)	Nature of Consideration
<b>Aamer Ahmed Farid</b>					
26-09-2022	Transfer	-2,30,000	10	80	Cash
03-11-2022	Transfer	-70,000	10	80	Cash
30-09-2022	Transfer	-70,000	10	80	Cash
23-12-2022	Transfer	-25,200	10	60	Cash
26-12-2022	Transfer	-4,000	10	60	Cash
<b>Hani Ahmed Farid</b>					
28-09-2022	Transfer	-2,30,000	10	80	Cash
03-11-2022	Transfer	-1,40,000	10	80	Cash
23-12-2022	Transfer	-28,700	10	60	Cash

<b>Ali Mohmedali Bagash</b>						
26-09-2022	Transfer	-2,30,000	10	80	Cash	
04-11-2022	Transfer	-70,000	10	80	Cash	
11-11-2022	Transfer	-70,000	10	80	Cash	
06-12-2022	Transfer	-50,000	10	Nil	Gift	
06-12-2022	Transfer	-5,000	10	80	Cash	
07-12-2022	Transfer	-5,000	10	80	Cash	
23-12-2022	Transfer	-28,600	10	60	Cash	

18. There have been no financial arrangements whereby our Promoters, Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company, during a period of six months preceding the date of this Prospectus, other than in the normal course of business of the financing entity.
19. Our Company, our Promoters, our Directors and the Lead Manager to this Issue have not entered into any buy-back and/or standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through this Prospectus.
20. There are no safety net arrangements for this public issue.
21. An oversubscription to the extent of 10% of the Net Issue can be retained for the purposes of rounding off to the minimum allotment lot and multiple of one share thereafter, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Net 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 Promoters and subject to lock-in shall be suitably increased so as to ensure that 20% of the Post Issue paid-up capital is locked in for 3 years.
22. Under-subscription in the net Issue, 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 Lead Manager and the BSE.
23. As on the date of filing of this Prospectus, there are no outstanding warrants, options, or rights to convert debentures, loans, or other financial instruments into our Equity Shares.
24. All the Equity Shares of our Company are fully paid up as on the date of this Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.
25. As per RBI regulations, OCBs are not allowed to participate in this Issue.
26. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.
27. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
28. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
29. No payment, direct or indirect in the nature of discount, commission, allowances or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
30. We have 91 (Ninety One) Shareholders as on the date of this Prospectus.
31. Our Promoters and the members of our Promoter Group will not participate in this Issue.
32. Our Company has not made any public issue since its incorporation.

33. As on the date of this Prospectus, the Lead Manager and their respective associates (determined as per the definition of ‘associate company’ under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company. The Lead Manager and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.
34. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing this Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
35. For the details of transactions by our Company with our Promoter Group, Group Companies please refer to paragraph titled “*Statement of Transactions with Related Parties, as Restated*” in ‘*Financial Statements*’ on page 108.

## OBJECTS OF THE ISSUE

The objects of the Net Proceeds (as defined below) of the Issue are:

1. Funding working capital requirements of our Company; and
2. General corporate purposes.

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 SME Platform of BSE. 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 object clause of Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised by us through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association. For the main objects clause of our Memorandum of Association, see “*History and Certain Corporate Matters*” on page 85.

### **Issue Proceeds and Net Proceeds**

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

<b>S. No.</b>	<b>Particulars</b>	<b>Amount (₹ in lakhs)</b>
1.	Gross Proceeds of the Issue	3,151.20
2.	Issue Expenses	80.00
3.	<b>Net Proceeds of the Issue (excluding the Issue Expenses) (“Net Proceeds”)</b>	<b>3,071.20</b>

### **Utilisation of Net Proceeds and Means of Finance**

The proposed utilisation of the Net Proceeds is set forth below:

<b>S. No.</b>	<b>Object</b>	<b>Amount Proposed to be Utilised from the Net Proceeds (₹ in lakhs)</b>
1.	Funding working capital requirements of our Company	2,377.65
2.	General Corporate Purposes	693.55
	<b>Total</b>	<b>3,071.20</b>

*Since the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.*

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan and management estimates and have not been appraised by any bank, financial institution or any other external agency. Given the dynamic nature of our business, we may have to revise our business plan from time to time and consequently our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors such as market conditions, competitive environment, costs of commodities and interest/ exchange rate fluctuations which may not be within the control of our management.

In case of variations in the actual utilisation of funds earmarked for the purpose set forth above or shortfall in the Net Proceeds, increased fund requirement may be financed by our internal accruals and/ or debt, as required. If the actual utilisation towards the said Object is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the gross proceeds from the Issue.

### **Details of the Objects of the Issue**

#### **1. Funding working capital requirements of our Company**

We propose to utilise ₹ 737.56 lakhs from the Net Proceeds to fund the working capital requirements of our Company in Fiscal 2023 and ₹ 1640.09 lakhs in Fiscal 2024. Our business is working capital intensive, and we fund a majority of our working capital requirements in the ordinary course of our business from banks and our internal accruals.

**(a) Existing Working Capital:**

The details of our Company's working capital as at March 31, 2020, March 31, 2021, March 31, 2022 and September 30, 2022 is derived from the Restated Financial Statements, and source of funding of the same are provided in the table below:

(₹ in lakhs)

Particulars	31-Mar-20		31-Mar-21		31-Mar-22		30-Sep-22	
	Audited	No. of Days						
<b>Current Assets</b>								
Inventories	2,166.79	166	1,762.61	143	1,881.49	124	2,115.27	131
Trade Receivables	1,010.14	50	977.16	46	1,023.27	42	1,039.02	38
Short Term Loans & Advances	646.28		548.66		755.64		37.29	
Other Current Assets	0.00		79.32		63.57		55.53	
<b>Total</b>	<b>3,823.21</b>		<b>3,367.74</b>		<b>3,723.96</b>		<b>3,247.11</b>	
<b>Current Liabilities</b>								
Trade Payables	1,992.99	153	2,027.47	165	1,776.66	117	1,797.81	111
Other Current Liabilities	85.45		75.44		89.75		99.38	
Short Term Provisions	159.18		44.86		107.13		87.91	
<b>Total</b>	<b>2,237.62</b>		<b>2,147.77</b>		<b>1,973.54</b>		<b>1,985.10</b>	
Working Capital Gap	<b>1,585.58</b>		<b>1,219.97</b>		<b>1,750.42</b>		<b>1,262.01</b>	
Less: Existing Bank Borrowings	571.77		403.48		887.17		315.73	
<b>Net Working Capital Requirement</b>	<b>1,013.82</b>		<b>816.49</b>		<b>863.26</b>		<b>946.28</b>	
<b>Proposed Working Capital to be funded from IPO</b>	<b>0.00</b>		<b>0.00</b>		<b>0.00</b>		<b>0.00</b>	
Funded through Internal Accruals, Other loans and Equity	1,013.82		816.49		863.26		946.28	

**(b) Estimated Working Capital Requirements**

Our Company proposes to utilize ₹ 2377.65 lakhs of the Net Proceeds for our estimated working capital requirements. Out of this ₹ 737.56 lakh will be utilized during in Fiscal 2023 and ₹ 1640.09 lakhs in Fiscal 2024. The balance portion of our Company working capital requirement, if any, shall be met from the working capital facilities availed/ to be availed and internal accruals. The estimated working capital requirements, as approved by the Board pursuant to a resolution dated November 16, 2022, and key assumptions with respect to the determination of the same are mentioned below. Our Company's estimated working capital requirements for Fiscal 2023 and Fiscal 2024 and the proposed funding of such working capital requirements are as set out in the table below:

(₹ in lakhs)

Particulars	31-Mar-23		31-Mar-24	
	Estimated	No. of Days	Projected	No. of Days
<b>Current Assets</b>				
Inventories	2,742.47	130	4,388.36	133
Trade Receivables	1,121.92	41	1,632.87	40
Short Term Loans & Advances	625.00		1,150.00	
Other Current Assets	225.00		340.00	
<b>Total</b>	<b>4,714.39</b>		<b>7,511.23</b>	

<b>Current Liabilities</b>				
Trade Payables	2,320.55	110	3,452.05	105
Other Current Liabilities	100.00		115.25	
Short Term Provisions	110.00		120.00	
<b>Total</b>	<b>2,530.55</b>		<b>3,687.30</b>	
Working Capital Gap	<b>2,183.84</b>		<b>3,823.93</b>	
Less: Existing Bank Borrowings	500.00		500.00	
<b>Net Working Capital Requirement</b>	<b>1,683.84</b>		<b>3,323.93</b>	
<b>Proposed Working Capital to be funded from IPO</b>	<b>737.56</b>		<b>1,640.09</b>	
Funding through Internal Accruals	946.28		1,683.84	

**The working capital projections made by the Company are based on certain key assumptions, as set out below:**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Assumptions</b>
<b>Current Assets</b>		
1	Inventories	We maintain inventories at levels to achieve cost competitiveness and shorter lead times. We need to maintain inventory at efficient levels. In Fiscal 2020, Fiscal 2021 and Fiscal 2022 our inventory days were 166 days, 143 days and 124 days respectively. We have estimated 130 days of inventory for the Fiscal ended March 31, 2023 and 133 days of inventory for the Fiscal ended March 31, 2024, to ensure adequate availability of the raw material at a more competitive price. Furthermore, with the commercial production starting at our Unit III we will require additional inventory levels and hence the inventory levels have also increased in absolute terms.
2	Trade Receivables	In Fiscal 2020, 2021 and 2022 our receivable days were 50 days, 46 days and 42 days respectively. Due to business growth and the need for increasing the sales volume we estimate the receivable levels at 41 days for Fiscal 2023 and 45 days for Fiscal 2024. We don't expect much increase in receivable levels due to the long-term relationships with our customers and already existing business with them.
3	Short Term Loans & Advances	The key items under this head are advance to staff, other advances, prepaid expenses, advance to with statutory authorities, advance to suppliers etc.
4	Other Current Assets	This mainly include Miscellaneous Expenditure to the extent not written off
<b>Current Liabilities</b>		
5	Trade Payables	Our trade payables have been for 153 days, 165 days and 117 days for fiscal 2020, 2021 and 2022 respectively. However, going forward we estimate to maintain payables at 110 days for Fiscal 2023 to avail best pricing and buy from large suppliers. Further since we will maintain inventories at higher levels, due to commencement of operations at our Unit III, we estimate a slight decline in payable days to get better term from our suppliers.
6	Other Current Liabilities	Other current liabilities include statutory dues, advance from customers and other liabilities etc.
7	Short Term Provisions	It includes provision for taxes and provision for employee benefit.

## 2. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹693.55 lakhs towards general corporate purposes. The general corporate purposes for which our Company proposes to utilise the Net Proceeds include but are not limited to funding growth opportunities, strategic initiatives, joint-ventures, partnerships, marketing and business development expenses, expansion of facilities and meeting exigencies and expenses incurred by our Company in the ordinary course of business. In addition to the above, our Company may utilise the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and as approved periodically by the Board, subject to compliance with necessary provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board based on the business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of the Board, shall have flexibility in utilising surplus amounts, if any.

However, we confirm that the amount for general corporate purposes, as mentioned in objects of the issue, shall not exceed twenty five per cent of the fresh issue amount raised by our Company.

### Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹80.00 lakhs. The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses and legal fees, if applicable. The estimated Issue expenses are as follows:

(₹ in lakhs)

Activity	Estimated expenses	As a % of the total estimated Issue expenses	As a % of the total Issue size
Payment to Merchant Banker including, underwriting, and selling commissions, brokerages, Advisors to the Company, payment to other intermediaries such as Legal Advisors, Registrars etc. and other out of pocket expenses.	60.00	75.00%	1.90%
Advertising and marketing expenses	7.50	9.38%	0.24%
Printing and stationery expenses, distribution, and postage	5.50	6.88%	0.17%
ROC, Regulatory and other expenses including Listing Fee	7.00	8.75%	0.22%
<b>Total estimated Issue expenses</b>	<b>80.00</b>	<b>100.00%</b>	<b>2.54%</b>

<sup>(1)</sup>The SCSBs and other intermediaries will be entitled to processing fees of ₹ 10 per valid Application form uploaded on the electronic system of the Stock Exchange by them.

### Schedule of implementation

- The entire amount of Issue Proceeds will be utilised during FY 2022-2023 and FY 2023-2024.

### Deployment of Funds in the Objects

Our Company has incurred the following expenditure on the project till November 30, 2022 from the internal accruals. The same has been certified by our Statutory Auditors, M/s. Choudhary Choudhary & Co. vide their certificate dated December 28, 2022 (UDIN No. 22124184BGHSY8071).

Particulars	Amount (₹ Lakhs)
Public Issue Expenses	43.66
<b>Total</b>	<b>43.66</b>

### Details of balance fund deployment

(₹ in Lakhs)

Sr. No.	Particulars	Expenses Already Incurred till November 30, 2022	FY 2022-23	FY 2023-24	Total
1	Funding working capital requirements of our Company	0.00	737.56	1,640.09	2,377.65
2	General Corporate Purposes	0.00	693.55	0.00	693.55
3	Issue Related Expenses	43.66	36.34	0.00	80.00
	<b>Total</b>	<b>43.66</b>	<b>1,467.45</b>	<b>1,640.09</b>	<b>3,151.20</b>

### Interim Use of Funds

Pending utilization for the purposes described above, we undertake to temporarily deposit the funds from the Net Proceeds only in the scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, for the necessary duration. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the equity shares of any other listed company.

### Appraisal Report

None of the objects for which the Net Proceeds from the Issue will be utilised have been appraised by any financial institutions/banks.

### **Bridge Loan**

As of the date of this Prospectus, our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds. However, depending on its business requirements, our Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds.

### **Monitoring of Utilization of Funds**

As the size of the Issue will not exceed Rs.10,000 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 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.

### **Variation in Objects**

In accordance with Section 13(8) and 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. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act 2013.

Pursuant to the Companies Act 2013, the Promoters or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Issue at the fair market value of the Equity Shares as on the date of the resolution of our Board recommending such variation in the terms of the contracts or the objects referred to in the Prospectus, in accordance with such terms and conditions as may be specified on this behalf by SEBI.

### **Other Confirmations**

No part of the Net Proceeds of the Issue will be utilized by our Company as consideration to our Promoters, members of the Promoter Group, Directors, Group Entities, or key management personnel. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with Promoters, Directors, key management personnel, associates, or Group Entities in relation to the utilization of the Net Proceeds of the Issue.

## BASIS FOR ISSUE PRICE

The Issue Price is determined by our Company in consultation with the Lead Manager. The financial data presented in this section are based on our Company's restated financial statements. Investors should also refer to the sections titled 'Risk Factors' and 'Financial Information' on pages 16 and 108, respectively, to get a more informed view before making the investment decision.

### ***Qualitative Factors***

For details of Qualitative factors please refer to the paragraph "Our Competitive Strengths" in "Our Business" beginning on page 72.

### ***Quantitative Factors (Based on Standalone Financial Statements)***

#### **1. Basic & Diluted Earnings Per Share (EPS):**

Period	Basic and Diluted EPS (₹)	Weights
FY 2022	4.68	3
FY 2021	2.68	2
FY 2020	0.07	1
<b>Weighted Average</b>	<b>3.24</b>	

*Notes:*

1. Basic EPS and Diluted EPS calculations are in accordance with Accounting Standard 20 (AS-20) 'Earnings per Share', notified under Section 133 of Companies Act, 2013 read together along with paragraph 7 of the Companies (Accounts) Rules, 2014.

2. Basic Earnings per share = Net profit/ (loss) after tax, as restated attributable to equity shareholders /Weighted average number of shares outstanding during the year/ period.

3. Diluted Earnings per share = Net profit after tax, as restated / Weighted average number of diluted equity shares outstanding during the year/ period.

4. The figures disclosed above are based on the Restated Consolidated Financial Statements of our Company.

#### **2. Price to Earnings (P/E) ratio in relation to Issue Price of ₹ 78.00:**

- a. Based on the basic and diluted EPS of ₹4.68 as per restated financial statements for the year ended March 31, 2022, the P/E ratio is 16.68.
- b. Based on the basic and diluted EPS of ₹3.97 as per restated financial statements for the year ended September 30, 2022, the P/E ratio is 19.63.
- c. Based on the weighted average EPS of ₹3.24, as per restated financial statements the P/E ratio is 24.05.
- d. Industry P/E

<b>Industry P/E</b>
▪ Highest
▪ Lowest
▪ Average

*Notes:*

(1) The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, please see the paragraph entitled 'Peer Competitors - Comparison of Accounting Ratios' on next page.

(2) P/E figures for the peers are based on as mentioned on BSE Site on November 16, 2022.

#### **3. Return on Net Worth**

Period	Return on Net Worth (%)	Weights
FY 2022	23.50	3

Period	Return on Net Worth (%)	Weights
FY 2021	17.47	2
FY 2020	0.50	1
<b>Weighted Average</b>	<b>17.66</b>	

#### 4. Minimum Return on increased Net Worth required to maintain pre-Issue EPS.

The minimum return on increased net worth required maintaining pre-Issue EPS:

A) Based on weighted average EPS of ₹3.24

At the Issue Price of ₹78: 8.36% based on restated financial statements.

B) Based on Basic and Diluted EPS for the year ended March 31, 2022 of ₹4.68

At the Issue Price of ₹78: 12.07% based on restated financial statements.

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

- As of September 30, 2022: ₹23.67
- As of March 31, 2022: ₹19.90
- NAV per Equity Share after the Issue is : ₹38.76
- Issue Price per Equity Share is: ₹78

#### 6. Peer Competitors - Comparison of Accounting Ratios

Name of the Company	CMP* (₹)	Face Value (₹)	EPS TTM** (₹) #	P/E** Ratio	RONW# (%)	NAV# (₹)
Aksharchem (India) Limited	339.50	10	15.62	21.74	5.68	348.21
Asahi Songwon Colors Limited	275.15	10	19.94	13.80	7.98	236.49
Clariant Chemicals (India) Limited	407.75	10	17.31	23.56	10.46	179.30
Vipul Organics Limited	137.85	10	5.06	27.25	13.31	50.90
Ultramarine & Pigments Limited	375.10	2	23.28	16.11	6.78	294.36
Sudarshan Chemical Industries Limited	389.85	2	9.85	39.57	15.59	120.36
Ducol Organics And Colours Limited***	78.00	10.00	4.68	16.68	23.50	19.90

\*Closing price on November 15, 2022 at BSE and for our Company its considered as issue price.

\*\*Source: BSE on November 16, 2022; # Source: Money Control; based on FY 2022 financial statements.

\*\*\*Based on March 31, 2022 restated financial statements.

The face value of Equity Shares of our Company is ₹10 per Equity Share and the Issue price of ₹78 is 7.80 times of the face value.

The Issue Price of ₹78.00 is determined by our Company, in consultation with the Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled 'Risk Factors', and chapters titled 'Our Business' and 'Financial Information' beginning on page 16, 72 and 108, respectively of the Prospectus.

## **STATEMENT OF TAX BENEFITS**

### **STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO DUCOL ORGANICS AND COLOURS LIMITED AND IT'S SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA**

To,

**The Board of Directors**

**Ducol Organics And Colours Limited**

Office No 302, Express Building,  
14-E Road, Churchgate, Mumbai – 400020,  
Maharashtra, India

Dear Sirs,

**Sub: Statement of possible special tax benefits (“the Statement”) available to Ducol Organics And Colours Limited (“the Company”) and its shareholders prepared in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018, as amended (“the Regulations”)**

We hereby report that the enclosed annexure, prepared by the Management of the Company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 (“Act”) as amended by the Finance Act, 2022 (i.e. applicable to Financial Year 2022-23 relevant to Assessment Year 2023-24), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special 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 fulfil.

The benefits discussed in the enclosed annexure cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company or its shareholders. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of ever changing tax laws in India.

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 the benefits 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 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 of intentional misconduct.

The enclosed annexure is intended for your information and for inclusion in this Draft Prospectus / Prospectus 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 written consent.

**For M/s. Choudhary Choudhary & Co.,**

Chartered Accountants

CA Alok Kumar Mishra

Partner

**Membership No:** 124184

**Firm Registration No:** 002910C

**Date:** November 15, 2022

**Place:** Mumbai

**UDIN: 22124184BDGWHX9740**

**Annexure**

**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS**

Outlined below are the possible special tax benefits available to the Company and its shareholders under the current direct tax laws in India for the financial year 2022-23.

**A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)**

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

**B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)**

The Shareholders of the Company are not entitled to any special tax benefits under the Act.

## **SECTION V: ABOUT THE COMPANY INDUSTRY OVERVIEW**

*The information in this section has been extracted from reports publicly available documents and information, including, but not limited to, materials issued or commissioned by the Government of India and certain of its ministries, trade and industry-specific publications and other relevant third-party sources.*

*Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. While the Company has exercised reasonable care in relying on such government, industry, market and other relevant data in this document, it has not been independently verified by the Company or any of its advisors, nor the Lead Manager or any of its respective advisors, and should not be relied on as if it had been so verified.*

### **INDIAN ECONOMY OVERVIEW**

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

#### **INTRODUCTION**

The Indian economy has fully recovered to the pre-pandemic real GDP level of 2019-20, according to the provisional estimates of GDP released on May 31, 2022. Real GDP growth in FY 2021-22 stands at 8.7%, which is 1.5% higher than the real GDP in FY 2019-20. These figures are associated with stronger growth momentum, indicating increased economic demand. The investment rate in the fourth quarter increased to its highest level in the previous nine quarters. Moreover, capacity utilisation in the manufacturing sector rose in the fourth quarter, as against the third quarter, implying a build-up in demand, which is consistent with the growth objectives of the Indian economy.

Future capital spending of the government in the Indian economy is expected to be supported by factors such as tax buoyancy, streamlined tax system, thorough assessment and rationalisation of the tariff structure and digitisation of tax filing. In the medium term, an increase in capital spending on infrastructure and asset-building projects is set to increase growth multipliers. Furthermore, revival in monsoon and Kharif sowing helped the agriculture sector gain momentum. As of July 11, 2022, the South-West monsoon has covered the entire country, resulting in 7% higher rainfall than the normal level.

India has emerged as the fastest-growing major economy in the world, and is expected to be one of the top three economic powers globally over the next 10-15 years, backed by its robust democracy and strong partnerships.

#### **MARKET SIZE**

- India's nominal GDP at current prices was estimated at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy, and is planning to achieve 40% of its energy from non-fossil sources by 2030.
- According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 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 this period. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 1.2% of GDP in 2021-22.
- Exports fared remarkably well during the pandemic and aided recovery when all other growth engines lost steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US\$ 1 trillion by 2030.

#### **GOVERNMENT INITIATIVES**

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The 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. Over the recent decade, India's rapid economic growth has led to a substantial increase in demand for exports. Moreover, many 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, are aimed at creating immense opportunities in India.

## **ROAD AHEAD**

Despite continuing geopolitical concerns, rising interest rates in the US and India and high prices of crude oil and few other commodities, economic activity in India is holding up better than anticipated. Electricity consumption, manufacturing PMI, exports, power supply and other high-frequency indicators indicate that the pace of economic activity has fully recovered from the COVID-19 pandemic shock. Economic growth is anticipated to be fueled by the effective implementation of PLI schemes, development of renewable energy sources while diversifying import dependence on crude oil and bolstering of the banking sector. Recent government initiatives to boost revenue will aid in containing the rise in the current account deficit and ensure that any potential fiscal slippage is adequately contained. Overall, the first ten days of July and June were better than the first two months of FY 2022–23, which is a cause for comfort and even cautious optimism in these testing times. According to a Boston Consulting Group (BCG) analysis, India is expected to be the third-largest consumer economy as its consumption may quadruple to US\$ 4 trillion by 2025 due to changes in consumer behaviour and spending patterns. By 2040, India is anticipated to overtake the US to become the second-largest economy in terms of purchasing power parity (PPP), according to a report by PricewaterhouseCoopers.

## **INDIAN CHEMICAL INDUSTRY**

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

### **INTRODUCTION**

Covering, more than 80,000 commercial products, India's chemical industry is extremely diversified and can be broadly classified into bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers and fertilisers.

Globally, India is the fourth-largest producer of agrochemicals after the United States, Japan and China. India accounts for ~16% of the world production of dyestuffs and dye intermediates. Indian colorants industry has emerged as a key player with a global market share of ~15%. The country's chemicals industry is de-licensed, except for few hazardous chemicals. India holds a strong position in exports and imports of chemicals at a global level and ranks 14th in exports and 8th in imports at global level (excluding pharmaceuticals).

The domestic chemicals sector's small and medium enterprises are expected to showcase 18-23% revenue growth in FY22, owing to an improvement in domestic demand and higher realisation due to high prices of chemicals.

India's proximity to the Middle East, the world's source of petrochemicals feedstock, enables it to benefit on economies of scale.

### **EXECUTIVE SUMMARY**

Source: IBEF, Chemicals, June 2022

## 2. HIGHLY DIVERSIFIED

- The Indian chemicals industry is highly diversified, covering >80,000 products and employing >2 million people.
- A network of 200 national laboratories and 1,300 R&D centres provides a strong base to the Indian chemical industry to drive innovations.
- The chemical industry is expected to contribute US\$ 300 billion to India's GDP by 2025.

## 1. GLOBAL POSITION

- Globally, India is the third-largest consumer of polymers, fourth-largest producer of agrochemicals and sixth-largest producer of chemicals.
- The Indian chemicals industry makes up 3.4% of the global chemicals industry.
- In 2019, the Indian chemicals market stood at US\$ 178 billion and is forecast to reach US\$ 304 billion by 2025.



## 3. STRONG GROWTH IN SPECIALTY CHEMICALS

- The Indian specialty chemicals sector is expected to increase at a CAGR of 12.4%, from US\$ 32 billion in 2019 to an estimated US\$ 64 billion by 2025.
- Also, ICRA's ratings indicate improved exports and a positive outlook for agrochemicals and surfactants.

## 4. LARGEST GLOBAL DYE SUPPLIER

- India is the world leader in dye manufacturing, accounting for 16%-18% of global dyestuff exports.
- In FY22, India's dye exports totaled US\$ 3.24 billion.

## MARKETS SIZE

The Indian chemicals industry stood at US\$ 178 billion in 2019 and is expected to reach US\$ 304 billion by 2025 registering a CAGR of 9.3%. The demand for chemicals is expected to expand by 9% per annum by 2025. The chemical industry is expected to contribute US\$ 300 billion to India's GDP by 2025.

An investment of Rs. 8 lakh crore (US\$ 107.38 billion) is estimated in the Indian chemicals and petrochemicals sector by 2025. The specialty chemicals constitute 22% of the total chemicals and petrochemicals market in India. The demand for specialty chemicals is expected to rise at a 12% CAGR in 2019-22.

Indian manufacturers have recorded a CAGR of 11% in revenue between FY15 and FY21, increasing India's share in the global specialty chemicals market to 4% from 3%, according to the Crisil report. A revival in domestic demand and robust exports will spur a 50% YoY increase in the CAPEX of specialty chemicals manufacturers in FY22 to Rs. 6,000-6,200 crore (US\$ 815-842 million). Revenue growth is likely to be 19-20% YoY in FY22, up from 9-10% in FY21, driven by recovery in domestic demand and higher realisations owing to rising crude oil prices and better exports.

## ROAD AHEAD

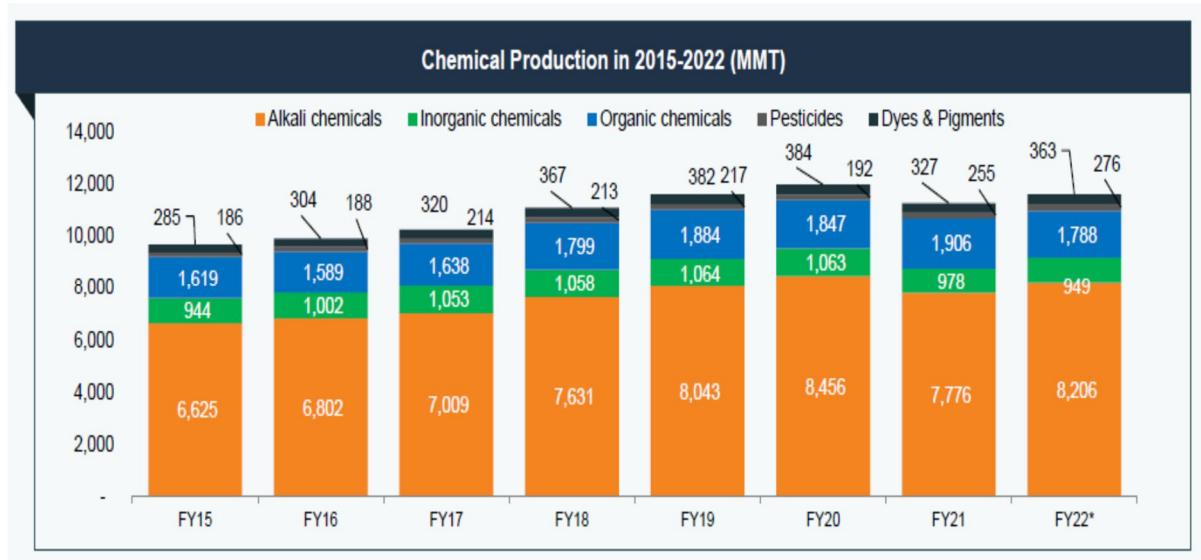
Despite the current pandemic situation, the Indian chemical industry has numerous opportunities considering the supply chain disruption in China and trade conflict among the US, Europe and China. Anti-pollution measures in China will also create opportunities for the Indian chemical industry in specific segments.

Additional support, in terms of fiscal incentives, such as tax breaks and special incentives through PCPIRs or SEZs to encourage downstream units will enhance production and development of the industry. The dedicated integrated manufacturing hubs under Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR) policy to attract an investment of Rs. 20 lakh crore (US\$ 276.46 billion) by 2035.

To bring about structural changes in the working of domestic chemical industry, future investments should not only focus on 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.

## CHEMICAL TRENDS IN INDIA

Source: IBEF, Chemicals, June 2022



## INDIAN PAINT INDUSTRY

Source: <https://www.paintindia.in/india-paint-industry>

The Indian Paint Industry is today worth over INR 62,000 crores (USD 8 billion), and is the fastest-growing major paint economy in the world over, with a consistent double-digit growth over the last 2 decades. It has over 3,000 paint manufacturers, with nearly all global majors present in the country. It has a near-75% share of architectural paints and a 25% share of industrial paints, with an equitable fast-paced growth across all segments, from Architectural to Powder, from Automotive to Coil, from High-Performance to General Industrial, from Refinish to Wood, and from Packaging to Plastic.

### Allied Industry Segments

Besides the core Paint/Coatings segment, Paint India also represents the interests of the Printing Inks, Construction Chemicals and Adhesives-Sealants segments from a sourcing and manufacturing viewpoint, since the raw materials, production equipment and supply channels have a significant overlap, and none of these segments have dedicated world-class events for themselves. Similarly, large and important industry segments like Pigments, Resins, Plastic Master batches and Composites also find valuable sourcing avenues at the show, extending the benefits and customer engagement on offer.

### Paints & Coatings industry Outlook

Source: <https://www.indianchemicalnews.com/compendium/paints-coatings-industry-captains-lay-thrust-on-innovation-13844#:~:text=The%20per%20capita%20consumption%20of%20paints%20in%20the%20US%20is,China%20has%20around%207%20kg>

Currently at just 4 kg per capita paint consumption and US \$44 million worth exports, India presents a huge opportunity for its paints and coatings industry. Coupled with the fast changing scenarios, the market is set to unlock a huge potential for growth of both domestic and global players. To keep up with the pace of pent up domestic demand and compete globally, it would be highly prudent for the MSMEs to adopt innovation and niche product lines for their growth.

“The Indian paint and coating industry is growing rapidly at 13-14% and the big players are growing even at much faster pace. The entry of Grasim Industries into this segment has shaken the industry and led to the change in dynamics at stock market,” says Sagar Goel, President, Indian Paint & Coating Association.

Source: <https://www.dyespigments.net/blog/analysis-of-dyes-and-pigments-market-of-india/>

**The dyes and pigments market was valued at approximately USD 33030 million in 2020, and it is estimated to grow at a CAGR of more than 4% during the forecast period (2021-2026).**

COVID-19 had critical repercussions on the market. As a result of the pandemic simulation, several countries went into lockdown, causing outages and shutdowns. This had a major implication for a variety of industries, including paints and coatings, textiles, and others. However, conditions are intended to elevate in 2020, reclaiming the market's growth trajectory studied during the forecast period.

- Rising costs from Asia-Pacific paints and coatings industries, as well as rising demand from the textile industry, are anticipated to propel the market in the medium term.
- On the other hand, the detrimental effect of the COVID-19 pandemic on the market, as well as environmental considerations about the use of dyes and pigments, are impeding market growth.
- The Asia-Pacific region is expected to drive the global market, with countries such as China and India consuming the most.

#### **Trends in the Market**

- Paints and Coatings Demand. Paints and coatings have the largest market share and are expected to be the largest and fastest-growing end-user industry.
- Decorative and architectural coatings use most pigments in their manufacturing. As a result, rising construction and infrastructure activities in Asia-Pacific are cruising the dye and pigment market.
- Furthermore, Public-Private Partnership (PPP) projects in the domestic construction sector have been increasing.
- In India, the shrewd urban objective is a major government project that will establish more than 100 smart cities across the country in order to attain urban sprawl. The smart cities mission has been allocated INR 6,450 crore in the 2021-22 budget, up from INR 3,400 crore in the revised estimates for 2020-21.
- In Germany, rising migration has boosted the country's prevailing demand for new residential construction. Around 3.6 million migrants are set to reach Germany by the end of 2020-2021, necessitating the construction of at least 350,000 new dwellings per year.
- Until 2019, the paints and coatings industry had been constantly developing. Regrettably, due to the pandemic situation, there has been a drop in the manufacturing of paints and coatings in 2020 as a result of the global construction industry stagnation. However, the situation is believed to have improved in 2021, stabilising the market's pace of growth.

Source: Source: <https://www.dyespigments.net/blog/analysis-of-dyes-and-pigments-market-of-india/>

## OUR BUSINESS

*Following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Prospectus, including the information contained in the section titled 'Risk Factors', beginning on page 16 of the Prospectus.*

*This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled 'Risk Factors' and 'Financial Information' and chapter titled 'Management Discussion and Analysis of Financial Condition and Results of Operations' beginning on page 16, 108 and 137, respectively, of the Prospectus.*

*Unless the context otherwise requires, in relation to business operations, in this section of the Prospectus, all references to "we", "us", "our" and "our Company" are to Ducol Organics And Colours Limited and Group Entities as the case may be.*

## OVERVIEW

Our Company offers a range of pigment dispersions for various industries like Paints, Inks, Textile, Detergent, Paper, Rubber and Plastics. color solutions for various industries like paints, ink, textile, rubber, plastic, leather, paper, soaps, detergents and FMCG. Our Company is engaged in the business of manufacturing and selling of pigment dispersions, preparations, concentrates, paste colorants and master batches.

We have a pan-India customer base, with integrated operations which involves development, manufacturing, marketing and distribution of a wide range of dispersions & masterbatches primarily to industries such as paints, ink, textile, rubber, plastic, leather, paper, soaps, detergents and FMCG.

Our laboratories are well equipped to develop process capabilities and product application techniques. Our specialized and dedicated team of professionals and engineers constantly keep abreast with the latest technology and trends as per the requirement of the industry. Our development team has a deep understanding of color, color management and dispersion technology.

Currently we are operating out of 2 units in Taloja and a third unit at Mahad is in process of getting established with trials currently being conducted. We have adequate infrastructure, production capacities and the required technical support of well equipped laboratories to cater to our customers needs with regards product development, quality assurance and product application support. We are well placed to offer comprehensive product solutions to our customers.

We offer following pigment dispersions and preparations:

- Dutint – water based dispersions for decorative paints
- Duplast - MB for plastic industry
- Duprint – water based dispersion for printing ink formulations
- Dutex – pigment pastes for textile printing industry
- Dusperse – for soap and detergent industry
- Dupralin – for paper industry
- Dupren – used in rubber industry
- Ducem – Dry dispersions various general applications

We have three (3) manufacturing units situated near Mumbai out of which two (2) are situated at Taloja MIDC and the third is situated at Mahad MIDC. We have obtained ISO 9001: 2015 certification for our Unit I and Unit II situated at Taluja MIDC. The installed capacities at our units is as follows:

Unit	Product Type	Capacity
Unit I	Wet Dispersions	3,500 MTPA
Unit II	Master Batch	2,000 MTPA
	Dry Dispersions	10,000 MTPA
Unit III	Dry Dispersions	15,000 MTPA

Our Promoters and Directors have more than two decades of experience in our industry. They are involved in the day-to-day decision making and management of our Company. For further details please see “*Our Management*” on page 88.

The financial performance of our Company for the period ended September 30, 2022 and Fiscals 2022, 2021 and 2020, is as follows:

Particulars	6 months period ended September 30, 2022	(₹ in lakhs, except for percentage)		
		Fiscal 2022	Fiscal 2021	Fiscal 2020
Revenue from operations	4,859.19	8,798.57	7,791.63	7,317.26
Total Income	4,874.80	8,893.61	7,885.80	7,372.13
EBITDA	657.95	1,000.45	745.59	470.18
EBITDA margin (%)	13.50%	11.25%	9.45%	6.38%
PAT	417.22	491.11	281.43	7.00
PAT Margin (%)	8.56%	5.52%	3.57%	0.09%

## Our Strengths

Following are our major strengths:

### 1. Experienced & Qualified Team:

The Promoter and the senior management team of our Company have significant industry experience and have been instrumental in sustainable growth of our Company. Our managing director & promoter, Mr. Aamer Ahmed Farid has been the main guiding force. He has almost three decades of industry experience and has been instrumental in our Company’s performance. He is actively involved in day to day business administration and marketing of the Company. It is also expected to help us on addressing and mitigating various risks inherent in our business, including significant competition. The combined strength of our Promoters, Directors and senior management team provides access in securing new orders, new client relationships and expanding our business. We will continue to leverage on the experience of our management team and their understanding of our business to take advantage of current and future market opportunities. For further details on education, experience and other details of our Management and our Key Managerial Personnel, kindly refer to the Chapter titled “*Our Management*” beginning on page no. 88 of this Prospectus.

### 2. Product diversification & Wide Product Offering

Our company enjoys a wide product range with diverse applications across various industries and sectors. We possess multiple manufacturing facilities with the ability to address customer orders with shrinking turnaround time. We have a dedicated team for the development of innovative products. Our Company has wide range of products enabling us to cater to wide spectrum of applications across the industries and balancing it out from market volatilities. Customization forms the essence of our Company. We also offer tailor-make products to meet the customers needs & requirements, not deviating from the quality and product performance. Modifying our products on various parameters like Viscosity, Appearance, Moisture Content, pH and application needs as per customer requirements, helps us to deliver value to our customers.

### 3. Diverse Customer Base

We cater to clients from diverse industries like paints, ink, textile, rubber, plastic, paper, soaps, detergents etc. Asian Paints Limited and Berger Paints India Limited are two of our major customers from Paints Industry. We have over the years established relationships with various clients across these industries and continue to serve them our product offerings. The diverse customer base acts as a natural hedge against any recessionary environment that may affect a particular industry where we supply our products.

### 4. We have in- house Research & Development

We have the latest technology required in this industry and are continually updated with in-house R&D at our laboratories situated at Unit I & Unit II. Also, our experienced and technically qualified personnel strive to develop and improve upon the product features by incorporating the latest technology, customer feedback, suggestions from staff and developing new specialty and cost-effective products.

## Our Strategies

The key elements of our strategy are as follows:

### 1. *Increasing Operational efficiency*

We continue to invest in increasing our operational efficiency throughout the organization. We are constantly addressing the need to increase in operational output yields and reduction in time cycles, through continuous process improvement, QC / QA activities, customer service constantly need consistent quality and technology development which are a hallmark of our operations. Alignment of our people to 'process improvement' through change management and upgrading of skills as required for customer satisfaction is a continuous activity. Awareness of this quality commitment is wide spread among all the employees.

### 2. *To build-up a professional organization*

As an organization, we believe in transparency and commitment in our work and with our customers. We have an experienced team for taking care of our day to day operations. We will consistently put efforts among its group of experienced employees to transform them into an outstanding team of empowered professionals which helps in further accelerating the wheels of development and progress of the Organization.

We are in process of professionalizing our operations and business to be less dependent on individuals and moving towards a systems driven business. SAP has been successfully implemented since a few years in many modules as a initial steps towards the same.

### 3. *Growth*

As a growth strategy we look to increasing product offerings and adding newer categories of products. We are also always keen to adopt newer and latest available technologies. Technology and product addition and innovation will be core to this effort. Increasing our customer footprints across geographies will also be a simultaneous effort in direction of achieving growth. We have also been building additional infrastructure and capacities on a planned basis to cater to the growing demands in products.

## DETAILS OF OUR BUSINESS

### Location

#### Registered Office:

Our Registered office is located at Office No 302, Express Building, 14-E Road, Churchgate, Mumbai – 400020, Maharashtra, India.

### Manufacturing Units

We have three (3) manufacturing units situated near Mumbai out of which two (2) are situated at Taloja MIDC and the third is situated at Mahad MIDC. For further details of ownership / lease of the above units, please refer to "Our Business" on page 72 of this Prospectus.

#### *Unit I – Taloja*

This unit was started in the year 1995. This unit is situated at Plot 22/2, MIDC Taloja, Taluka Panvel, Dist. Raigad – 410208, and is spread across 2752 sq. mt. and presently manufactures wet dispersions. The current installed capacity at this unit is 3,500 MT per year.

#### *Unit II – Taloja*

This unit was started in the year 2010. This unit is situated at Plot T5/1, MIDC Taloja, Taluka Panvel, Dist. Raigad – 410208, and is spread across 4,944 sq. mt. and presently manufactures master batches with the installed capacity of 2,000 MT per year and dry dispersions with the installed capacity of 10,000 MT per year.

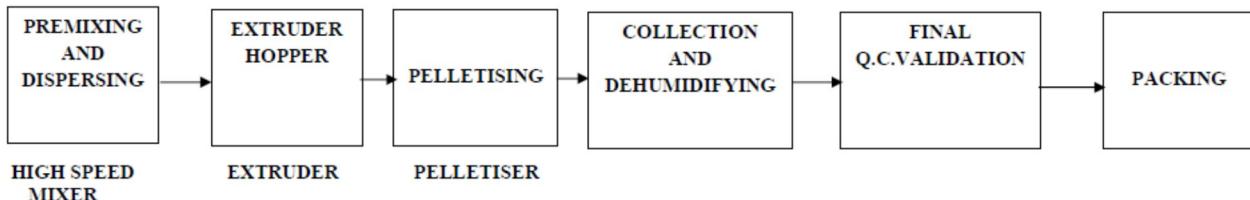
### Unit III – Mahad

Third unit at Mahad is in process of getting established with trials currently being conducted. This unit is situated at Plot K-7, MIDC Mahad, Village Kalinj, Mahad Municipal Council, Taluka Mahad, Dist. Raigad, and is spread across 20,000 sq. mt. This unit is on the trial run and will initially produce dry dispersions with installed capacity of 15,000 MT per year.

For further details of ownership / lease of the above units, please refer to “Our Business” on page 72 of this Prospectus.

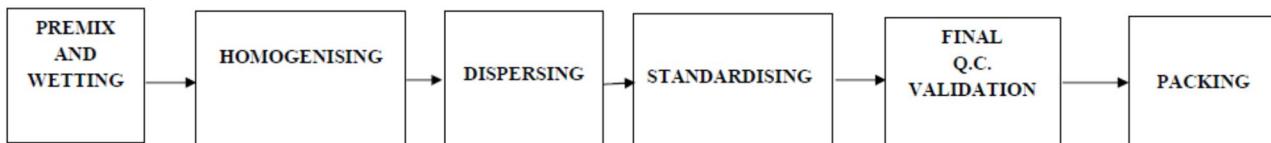
### Manufacturing Processes

#### Process flow chart for production of masterbatches



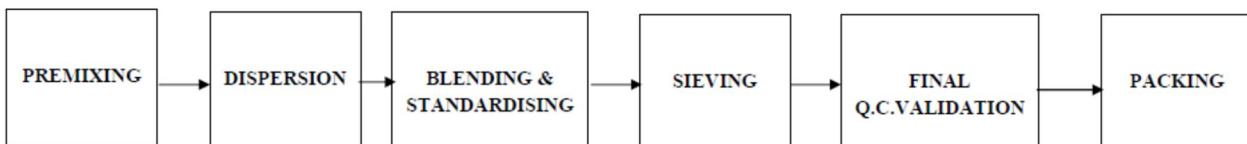
1. Premixing & Dispersion	: Pigment premixed with polymer and additives.
2. Extruder Hopper	: Dispersed material is passed through extruder.
3. Palletising	: Extruded material pelletised to required pellet size.
4. Collection and Dehumidifying	: Moisture picked up post extrusion and palletising is removed.
5. Final Q.C. Validation	: Quality check as per test plan.
6. Packing	: Packing of material as per required pack size.

#### Process flow chart for production of wet dispersion



1. Premix and wetting	: Approved pigment is wetted and pre mixed with additives.
2. Homogenising	: Premixed material is uniformly homogenised.
3. Dispersion	: Material is further dispersed by grinding uniformly.
4. Standardising	: Blending of semi-finished batches and fine tuning.
5. Final Q.C. Validation	: Quality check as per test plan.
6. Packing	: Packing of material as per required pack size.

#### Process flow chart for production of dry dispersion



1. Premixing	: Super Batching, Concentrated Blending with Pigment & Additives.
2. Dispersion	: Extension and grinding of super batch.
3. Blending & Standardising	: Blending of semi finish batches & fine tuning.
4. Sieving	: Sieving of the material.
5. Final Q.C. Validation	: Quality check as per test plan.
6. Packing	: Packing of material as per required pack size.

### Plant & Machinery

Our manufacturing units are equipped with state-of-the-art machines, installed to provide the best quality with latest technology and accurately tested products. Some of the key plant and machineries are listed below:

Sr. No	Unit	Type / Name of Machine	Number of Machines
1.	Unit I	Pressurised Bead Mills (Indigenous)	9
		High Speed dispersions (Indigenous)	4
		Basket Mills (Imported)	5
		Kneaders (Indigenous)	2
		Dilution Vessels Large	7
		Material Handling Equipment	-
2.	Unit II	Extruders 30/40/50 mm (Indigenous)	3
		High Speed Mixers 150/250/500 Ltrs (Indigenous)	6
		Nauta Mixer 500 Ltrs (Indigenous)	1
		Ball Mills (Indigenous)	5
		Ribbon Blenders (Indigenous)	2
		Material Handling Equipment	-
		Packing	-
3.	Unit III	Ribbon Blender	1
		High Speed Dispersions	1
		Ball Mills	1

## Utilities

### Raw Material

Following are the key raw materials for manufacture of our products:

Organic Pigments, Inorganic Pigments, additives, glycols, fillers, extenders and minerals, drums in various sizes as packing materials. Most of our raw materials is sourced from domestic market. The details of the raw materials imported, countries of import, percentage of raw materials imported during the last three preceding financial years and stub period are as under:

Particulars	Local Purchase Amount	Import Purchase Amount	% Local Purchase	% Import Purchase	Total Purchase	Material Imported	Countries of Import
FY 2019-20	4,665.75	207.81	97.45	2.55	4,873.56	Pomosperse, Pigment	China, Barbados, USA
FY 2020-21	4,385.81	58.46	98.20	1.80	4,444.27	Pomosperse, Pigment, Surfynol	China, Barbados, USA
FY 2021-22	5,442.77	280.57	95.10	4.90	5,723.34	Pigment, Titanium	China
FY 2021-22 (Apr-22 - Sep-22)	2,801.53	288.27	90.67	9.33	3,089.79	Pigment, Titanium, Delta	Hongkong, China, Egypt

### Water

Water is required at all our manufacturing units for production process and domestic purposes, the requirement is met from water connection from MIDC and local authorities.

### Power

All our Units have adequate power supply from the public / state supply utilities. The following is the sanctioned load for each manufacturing unit:

Details of manufacturing unit	Sanctioned Load
Unit I	569 KW
Unit – II	1,370 KW

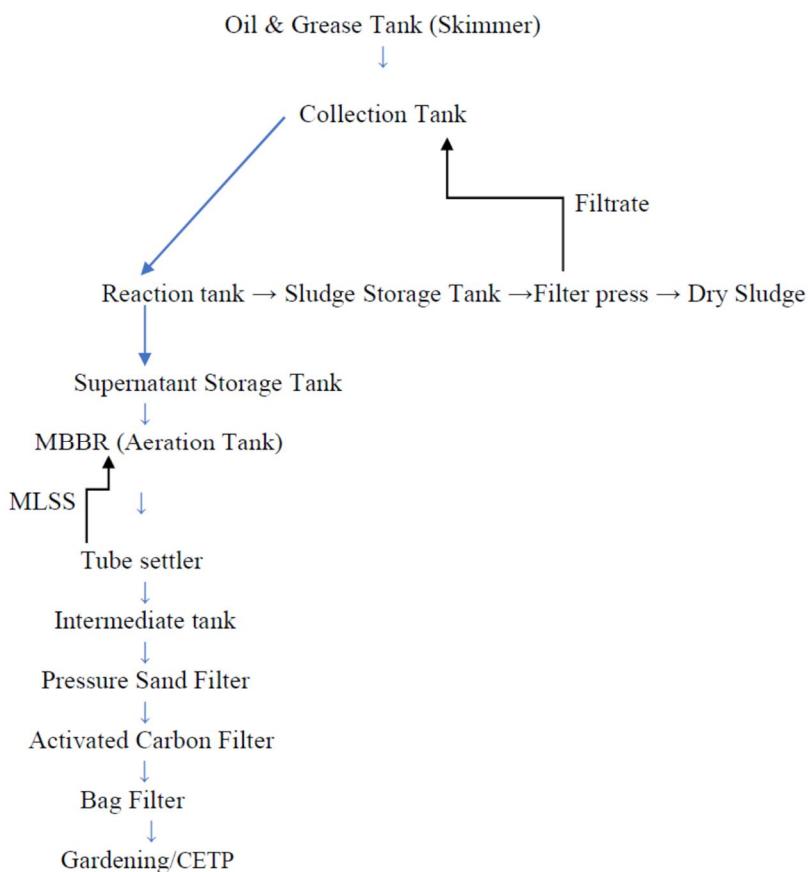
Unit – III	Existing 107.24 KW to be increased to 750 KW (sanction in process)
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### ***Effluent treatment***

#### **UNIT I**

We have installed ETP system which includes Primary, Secondary and Tertiary chemical neutralisation, which involves MBBR technology. We generate and treat 8000 L/day of liquid effluent through our ETP system to discharge the treated effluent in to the line leading to CETP managed by MIDC. Solid waste separated before discharge of liquid to CETP line is dried and sent to Mumbai Waste Management for further treatment to avoid any damage to environment.

Besides in house testing of liquid effluent we send out samples to NABL approved labs for making sure that we don't discharge any effluent which can cause damage to the environment. We enclose herewith schematic diagram of ETP for ready reference:



### ***Manpower***

The manufacturing process requires an appropriate mix of skilled, semi-skilled and un-skilled labour, which is readily available in Maharashtra. As on October 31, 2022, our Company had 79 permanent employees.

The detailed break-up of our employees is as under:

Particulars	Administration	Workers	Total
Registered Office, Mumbai	19	-	19
Unit I	30	14	44
Unit II	9	3	12
Unit III	-	4	4
Contractual	-	38	38

## Collaboration

The company has not entered into any technical or financial collaboration agreement with any third party.

## Our Products

Product Category	Description
<b>DUTINT</b>	DUTINT is a series of water based pigment dispersions having high pigment content primarily for in plant tinting in decorative paint systems. Used for coloration of modern synthetic resin emulsion paints. Dutint is available as water based dispersions in following grades:
<b>DUPLAST</b>	DUPLAST is a series of Polymer based Masterbatches, namely Polyolefins and Engineering Plastics, incorporating pigments and non-pigmentary additives in a finely dispersed state, offered in pellet form. DUPLAST Masterbatches are designed to impart desired characteristics in the final product when used during processing of polymeric materials such as LDPE, LLDPE, HDPE, PP and Engineering Plastics. The DUPLAST Masterbatches are available in Standard and Customized shades as well as Single Pigment Concentrates (SPC). The range shall by and large meet requirements of all processes through which plastics are converted into useful products like extrusion, injection moulding, blow moulding, coating and lamination, roto-moulding, thermoforming & cast films. DUPLAST range consists of following:
<b>DUPRINT</b>	DUPRINT offers versatile pigment dispersions to ink formulators to formulate inks for various applications. They are compatible with most water based acrylic emulsion for inks available in the market allowing ink formulators to choose raw materials from various sources.
<b>DUTEX</b>	DUTEX is specifically for the textile printing industry. It is an organic pigment in an emulsion form with an excellent degree of fineness of dispersion and stability. It consists of high degree of fastness properties, soft handle and bright pleasing shades in all depths.
<b>DUSPERSE</b>	DUSPERSE is a water-based pigment dispersion made for the soap and detergent industries. Its based on non-ionic and anionic wetting and dispersing agents which can be used in powder and cake forms. It disperses in extreme conditions of pH imparting clean and bright colors.
<b>DUPRALIN</b>	DUPRALIN is a aqueous pigment dispersion for the paper industry. Its a low-foaming pigment preparation based on anionic wetting and dispersing agents. It is specially suited for the coloration of paper at the pulping stage. It shows brilliant performance in tissue and laminate grades exhibiting good retention.
<b>DUPREN</b>	DUPREN is a master pigment specially formulated for the rubber industry, It is a pigment dispersed in a carrier medium which is polymeric in nature and highly compatible with most polymers making it a universal type of color masterbatch.
<b>DUCEM</b>	It is a dry pigment dispersions on a carrier medium for various applications.
<b>CEMENT</b>	Dry dispersions filler based

## Environment, Health and Safety

The personal health and safety of each employee of our organization is of primary importance. We believe that our employees are important assets and their safety at our worksite is our responsibility. Our Company provides the necessary equipment and facilities required for the personal safety and health of each employee, workers and contractors. We implement work safety measures to ensure a safe working environment including general guidelines for health and safety at our manufacturing units, accident reporting, wearing safety equipment and maintaining clean and orderly work locations.

We comply earnestly with state and central laws related to environmental protection which involves monitoring of the water discharge generated from the manufacturing operations. Since our operations involve non-hazardous material it makes the process of environmental management easier. Our semi continuous process technology and automation in the ETP system helps us to achieve lower effluent generation.

We continually aim to comply with the applicable health and safety regulations and other requirements in our business operations.

### **Competition**

The Indian pigment market is highly fragmented in nature with many formulators and manufacturers. The competition is fierce with large number of organized sector players and significant share of spurious pigments. Like any other company, our Company also faces competition from both multinationals, having a big image in the industry and domestic corporate and other fragmented/marginal players.

### **Capacity Utilization**

Capacity and capacity utilization for the last three years

Details of manufacturing unit	Particulars	Fiscal		
		2022	2021	2020
Unit – I	Installed Capacity (in MTPA)	3500	3500	3500
	Utilised Capacity (in MTPA)	2200	1750	1700
	Utilised Capacity (%)	62.86%	50.00%	48.57%
Unit – II -Master Batches	Installed Capacity (in MTPA)	2000	2000	2000
	Utilised Capacity (in MTPA)	480	490	350
	Utilised Capacity (%)	24.00%	24.50%	17.50%
Unit – II – Dry Dispersions	Installed Capacity (in MTPA)	10000	9000	8000
	Utilised Capacity (in MTPA)	8350	7107	6841
	Utilised Capacity (%)	83.50%	78.97%	85.51%

### **Marketing**

We have our in-house marketing team. Our marketing team through their vast experience and good networking with clients owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our Company. Our Managing Director, has developed strong relationships with customers over the years right from Multinational Companies to big Indian Companies where Quality and timely delivery is of utmost importance. Since the target industries and customers are known to us, the sales teams approach them and solicit business for various verticals. We believe that the quality of service we offer is one of our most effective marketing tools.

### **Seasonality**

Our business is not seasonable in nature.

### **Export and Export Obligations**

Our Company doesn't have any export obligations as on the date of the Prospectus.

### **PROPERTIES / LAND DETAILS**

## Immovable Property

We have taken the following premise on lease or leave and license basis:

Address of Premises leased	Name of Lessor /Lessor	Purpose
Plot 22/2, MIDC Taloja, Taluka Panvel, Dist. Raigad – 410208, Maharashtra, India	Maharashtra Industrial Development Corporation	Unit I
Plot T5/1, MIDC Taloja, Taluka Panvel, Dist. Raigad – 410208	Maharashtra Industrial Development Corporation	Unit II
Plot K-7, MIDC Mahad, Village Kalinj, Mahad Municipal Council, Taluka Mahad, Dist. Raigad	Maharashtra Industrial Development Corporation	Unit III
Office No 302, Express Building, 14-E Road, Churchgate, Mumbai – 400020, Maharashtra, India	Express Newspapers Private Limited	Registered Office
15, Old Bangalipura Street, Masjid West, Mumbai – 400003, Maharashtra, India.	M/s MA Bagash	Back Office

Further, we have entered into various leave and license agreements with certain parties for providing residence to some of our employees.

## INSURANCE

Our operations are subject to various risks in the manufacturing industry. Accordingly, we maintain insurance policies for our manufacturing units, offices, buildings, plant and machinery, furniture, fixture and fittings and stocks due to fire and other perils. Further, we have also maintained fidelity guarantee insurance policy.

These insurance policies are reviewed periodically to ensure that the coverage is adequate. We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such Insurances. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. Refer *“Risk Factors – Internal Risk Factors – Our insurance cover may not adequately protect us against all material hazards”* on page 27.

## INTELLECTUAL PROPERTY

We have registered following mark with the Trade Mark Registry:

Sr. No.	Particulars of Mark	Mark Type	Valid Upto	Trademark Number	Class
1.	DUTINT – Pigment Preparations for Emulsion Paints	Word Mark	May 14, 2024	1283874	2
2.	DUTEX – Pigment Emulsions for Textile Industry	Word Mark	May 15, 2027	740716	2
3.	DUPRINT – Organic Pigments for Printing Inks	Word Mark	May 15, 2027	740715	2

4.	DUPREN – Pigment Dispersion for Rubber Industry	Word Mark	May 14, 2024	1283872	2
5.	DULACK – Organic Pigments for Paint Industry	Word Mark	May 15, 2027	740717	2

## **KEY INDUSTRIAL REGULATIONS AND POLICIES IN INDIA**

*The following description is a summary of certain sector-specific laws currently in force in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The description below may not be exhaustive and is only intended to provide general information to investors, and is neither designed as, nor intended to substitute, professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial, or administrative decisions. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain.*

*The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For information on regulatory approvals obtained by us, please refer “Government and Other Approvals” on page 146. We are required to obtain and regularly renew certain licenses / registrations / sanctions / permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts, and policies. Additionally, the projects undertaken by us require, at various stages, the sanction of the concerned authorities under the relevant central and state legislations and local byelaws.*

*Following is an overview of some of the important laws and regulations, which are relevant to our business.*

### **Industry specific Regulations**

#### **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.

### **Environment Laws**

We are subject to various environmental regulations as the operation of our establishments might have an impact on the environment. The basic purpose of such statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“PCBs”), have been set up in each state and at the central level. Establishments, as prescribed under various regulations may be required to obtain consent orders from the PCBs. These consent orders are required to be renewed periodically.

#### **The Environment (Protection) Act, 1986 (the “EPA”)**

The EPA has been enacted with the objective of protecting and improving the environment and for matters connected therewith. As per the EPA, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the EPA, including the power to direct the closure, prohibition or regulation of any industry, operation or process.

#### **Environment (Protection) Rules, 1986 (the “Environment Rules”)**

In exercise of powers conferred under the Environment Act, the Central Government notified the Environment Rules. Pursuant to Environment Rules, every person who carries on an industry, operation or process requiring consent under Water (Prevention and Control of Pollution) Act, 1974 or Air (Prevention and Control of Pollution) Act, 1981 or shall submit to the concerned Pollution Control Board an environmental statement for that financial year in the prescribed form.

#### **Water (Prevention and Control of Pollution) Act, 1974 (the “Water Act”)**

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set out by the concerned PCB. The Water Act also provides that the consent of the concerned PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent.

#### **Air (Prevention and Control of Pollution) Act, 1981 (the “Air Act”)**

The Air Act requires that any industry or institution emitting smoke or gases must apply in a prescribed form and obtain consent from the state PCB prior to commencing any activity. The state PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

### **Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the “Hazardous Wastes Rules”)**

The Hazardous Waste Rules define the term “hazardous waste” and any person who has control over the affairs of a factory or premises or any person in possession of the hazardous or other waste is classified as an “occupier”. In terms of the Hazardous Waste Rules, occupiers have been, *inter alia*, made responsible for safe and environmentally sound handling of hazardous wastes generated in their establishments and are required to obtain license/ authorisation from the respective State PCB for generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or similar activities in relation to hazardous waste. The Hazardous Waste Rules also prescribe the hierarchy in the sequence of priority of prevention, minimization, reuse, recycling, recovery and co-processing. Further, State PCBs are mandated to prepare an inventory of the waste generated, waste recycled, recovered and utilized including co-processed, re-exported and disposed, based on annual returns received from occupiers and operators, and submit it to the Central Pollution Control Board on an annual basis.

### **Intellectual Property Laws**

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for trademark protection under the Trade Marks Act, 1999. The above enactment provides for protection of intellectual property by imposing civil and criminal liability for infringement.

### **Industrial and Labour Laws**

#### **Factories Act, 1948 ("Factories Act")**

Factories Act defines a 'factory' to cover any premises which employs ten or more workers on any day of the preceding twelve months and in which manufacturing process is carried on with the aid of power or any premises where at least twenty workers are employed in a manufacturing process.

Each state government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that an occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The Factories Act also 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.

In addition to the Factories Act, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws.

### **Regulations Related to Foreign Trade**

The foreign policy of India is governed and regulated by the Foreign Trade (Development and Regulation) Act, 1992 (the “**Foreign Trade Act**”). The Foreign Trade Act has empowered the Central Government to make provisions for the development as well as regulation of foreign trade by the way of facilitating imports into as well as augmenting exports from the country and in all the other matters related to foreign trade. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The Foreign Trade Act provides for certain appointments especially that of the Director-General to advise the Central Government in formulating import and export policy and to implement the same. Further, the act commands every importer as well as exporter to obtain a code number called the Importer Exporter Code Number (IEC) from the Director-General or the authorized officer. The act provides the balancing of all the budgetary targets in terms of imports and exports. The principal objectives here include the facilitation of sustain growth as to the exports of the country, the distribution of quality goods and services to the domestic consumer at internationally competitive prices, stimulation of sustained economic growth by providing access to essential raw materials as well as enhancement of technological strength, industry as well as services and improvement of their competitiveness to meet all kinds of requirement of the global markets.

## **Foreign Exchange Regulations**

Foreign investment in Indian securities is governed by the provisions of the Foreign Exchange Management Act, 1999, as amended (“FEMA”) read with the applicable Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 as amended (“FEM Rules”). FEMA replaced the erstwhile Foreign Exchange Regulation Act, 1973. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the government approval route, depending upon the sector in which foreign investment is sought to be made. The DPIIT makes policy pronouncements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEM Rules. In case of any conflict, the FEM Rules prevail. Therefore, the regulatory framework, over a period of time consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The DPIIT issued the FDI Policy which consolidates the policy framework on FDI issued by DPIIT, in force on October 15, 2020 and reflects the FDI policy as on October 15, 2020. The FDI Policy consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DPIIT. As per the FDI Policy, 100% FDI is permitted in our Company under the automatic route, subject to compliance with prescribed conditions. In this Issue, foreign investment is limited to investments by FPIs and NRIs. For further details, please see “*Issue Procedure*” on page 177.

## **Other Laws**

Additionally, we are required to comply with other legislations such as the laws governing taxation aspects of our business. Goods and services tax legislations (including Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, States Goods and Services Tax Act, 2017 and Union Territory Goods and Services Tax Act, 2017) are applicable to us.

## **HISTORY AND CERTAIN CORPORATE MATTERS**

### **Brief History of our Company**

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra dated June 16, 1994 with the name ‘Ducol Organics & Colours Private Limited’. Our Company was converted into a public limited company and the name of our Company was changed to ‘Ducol Organics And Colours Limited’ by a special resolution passed on June 20, 2022. A fresh Certificate of Incorporation consequent upon conversion was issued on July 1, 2022 by the Registrar of Companies, Maharashtra.

Our corporate identification number is U24239MH1994PLC079015.

The Promoters of our Company are Aamer Ahmed Farid and Hani Ahmed Farid.

### **Names of signatories to the Memorandum of Association of the Company and the number of Equity Shares subscribed by them:**

The names of the signatories of the Memorandum of Association of the Company and the number of Equity Shares subscribed for by them at the time of signing of the Memorandum of Association: Aamer Ahmed Farid and Ali Mohmedali Bagash, of 10 Equity Shares each.

### **Changes in our Registered Office:**

As on the date of this Prospectus, our Registered Office is located at Office No 302, Express Building, 14-E Road, Churchgate, Mumbai – 400020, Maharashtra, India. The registered office of our Company was shifted from 15, Old Bangalipura Street, Masjid West, Mumbai – 400003, Maharashtra, India to our present address w.e.f. September 16, 2022 for better administrative convenience. There is no other change in our registered office since incorporation.

### **Major Events and Milestones**

The table below sets forth some of the key events in the history of our Company:

<b>Calendar Year</b>	<b>Event</b>
1994	Incorporation as a Private Limited Company
1995	Setting up of Unit I at Taloja
2010	Setting up of Unit II at Taloja
2010	Unit II Phase masterbatch division acquired and production started
2022	Setting up of Unit III at Mahad

### **Significant financial and strategic partners**

As on the date of the Prospectus, our Company does not have any significant financial or strategic partners.

### **Time and cost overrun**

Our Company has not experienced any significant time and cost overrun since we are in trading business.

### **Launch of Key Products or services**

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, facility creation, location of our facilities, see “*Our Business*” beginning on page 72.

### **Defaults or rescheduling of borrowings with financial institutions/ banks and conversion of loans into equity**

There have been no defaults or rescheduling of borrowings with financial institutions in respect of our current borrowings from lenders.

### **Material Acquisitions or Divestments of Business/Undertakings, Mergers, Amalgamations or Revaluation of Assets, in the last ten years**

Our Company has not undertaken any material acquisitions or divestments of business/undertakings, mergers, amalgamations, or revaluation of assets in the last ten years.

### **Main Objects of our Company:**

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

1. To carry on the trade or business of manufacturers, producers, processors, buyers, sellers, marketers,

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out as well as to carry on the activities for which the funds are being raised in the Issue.

### **Amendments to the Memorandum of Association**

The following changes have been made in the Memorandum of Association of our Company since inception:

<b>Particulars of Change</b>	<b>Date of Shareholders' Meeting</b>	<b>AGM/ EGM</b>
Conversion into a public limited company and change in name to 'Ducol Organics And Colours Limited'	June 20, 2022	EGM
Removal / Deletion of Part C i.e. the Other Objects of Memorandum of Association.	June 20, 2022	EGM

Further, the following changes have been made in the Memorandum of Association of our Company due to change in Authorised Capital:

<b>Particulars of Change</b>	<b>Date of Members Meeting</b>	<b>AGM/EGM</b>
<b>From</b>	<b>To</b>	
₹1,00,00,000 consisting of 10,00,000 Equity shares of ₹10.00 each.		Till FY 1996*
		--
₹1,00,00,000 consisting of 10,00,000 Equity shares of ₹10.00 each.	₹3,00,00,000 consisting of 30,00,000 Equity shares of ₹10.00 each.	March 7, 2012
		EGM
₹3,00,00,000 consisting of 30,00,000 Equity shares of ₹10.00 each.	₹15,00,00,000 consisting of 1,50,00,000 Equity shares of ₹10.00 each.	May 5, 2022
		EGM

\*Forms not available

### **Changes in the Management**

There has been no change in the management of our Company since incorporation.

### **Defaults or rescheduling of borrowings from financial institutions/ banks and conversion of loans into equity**

No defaults have been called by any financial institution or bank in relation to borrowings from financial institutions or banks. For details of our financing arrangements, please refer "Financial Indebtedness" on page 147. Further, except as stated in the section "Capital Structure" beginning on page 46, none of our loans have been rescheduled or been converted into Equity Shares.

### **Lock outs and strikes**

There have been no lock outs or strikes at any of the units of our Company.

### **Time and cost overruns**

Our Company has not implemented any projects and has not, therefore, experienced any time or cost overrun in relation thereto.

**Details regarding acquisition of business/undertakings, mergers, amalgamations, and revaluation of assets**

Our Company has not acquired any business or undertaking, and has not undertaken any merger, amalgamation, or revaluation of assets.

**Holding Company of our Company**

As of the date of the Prospectus, our Company does not have any holding Company.

**Subsidiary of our Company**

As of the date of the Prospectus, our Company does not have a subsidiary company.

**Collaboration Agreements**

As on the date of the Prospectus, our Company is not a party to any collaboration agreements.

**Shareholders' Agreements**

As on the date of the Prospectus, our Company has not entered into any shareholders' agreements.

**Material Agreements**

We have not entered into any material contract, not being a contract entered into in the ordinary course of business carried on or intended to be carried on by us or contract entered into more than two years before the filing of the Prospectus.

**Number of Shareholders**

Our Company has 91 (Ninety one) shareholders on date of the Prospectus.

## OUR MANAGEMENT

### Board of Directors

Under our Article of Association, we are required to have not less than 3 (three) Directors and not more than 15 (Fifteen) Directors. As on the date of this Prospectus, our Company currently has 5 (five) Directors, out of which 1 (one) is Managing Director; 1 (one) is Whole time Director and 3 (three) are Independent Directors including a woman Director.

Set forth below are details regarding our Board as on the date of this Prospectus:

<b>Name, Designation, Address, Date of Birth, Occupation Term, Period of Directorship and DIN</b>	<b>Other Directorships</b>
<b>Aamer Ahmed Farid</b>  <i>Designation:</i> Managing Director  <i>Address:</i> 1001/1002, United Crystal Building, 10 <sup>th</sup> Floor, Maghraj Sethi Marg, Opposite Baby Garden, Agripada, Mumbai Central, Mumbai – 400008, Maharashtra, India  <i>Date of Birth:</i> August 6, 1960  <i>Age:</i> 62 years  <i>Occupation:</i> Business  <i>Term:</i> 3 years w.e.f. October 1, 2022  <i>Period of Directorship:</i> Director since June 16, 1994.  <i>DIN:</i> 00711705	<ul style="list-style-type: none"> <li>• Jazira Plantations Private Limited</li> <li>• Jazira Real Estates Private Limited</li> </ul> <p>LLP:</p> <ul style="list-style-type: none"> <li>• Prime Foods And Confectionery LLP</li> </ul>
<b>Hani Ahmed Farid</b>  <i>Designation:</i> Whole time Director  <i>Address:</i> 1001/1002, United Crystal Building, 10 <sup>th</sup> Floor, Maghraj Sethi Marg, Opposite Baby Garden, Agripada, Mumbai Central, Mumbai – 400008, Maharashtra, India  <i>Date of Birth:</i> September 20, 1955  <i>Age:</i> 66 years  <i>Occupation:</i> Business  <i>Term:</i> 3 years w.e.f. October 1, 2022  <i>Period of Directorship:</i> Director since June 16, 1994  <i>DIN:</i> 00711968	<ul style="list-style-type: none"> <li>• Jazira Plantations Private Limited</li> </ul>
<b>Ratnakar Venkappa Rai</b>  <i>Designation:</i> Non-Executive and Independent Director  <i>Address:</i> G2/503, Spene, Moraj Residency, Kasturi Co-op Housing Society, Palm Beach Road, New Mumbai, Sanpada – 400705, Thane, Maharashtra, India  <i>Date of Birth:</i> December 25, 1967	<ul style="list-style-type: none"> <li>• Bew Engineering Limited</li> <li>• Vaidya Sane Ayurved Laboratories Limited</li> </ul>

<p><i>Age:</i> 54 years</p> <p><i>Occupation:</i> Business</p> <p><i>Term:</i> 5 years w.e.f. June 1, 2022</p> <p><i>Period of Directorship:</i> Appointed as additional Independent Director on w.e.f. June 1, 2022</p> <p><i>DIN:</i> 00126309</p>	
<p><b>Shivani S. Tiwari</b></p> <p><i>Designation:</i> Non-Executive and Independent Director</p> <p><i>Address:</i> C-4, Kamlesh Apartment, Parsi Panchayat Road, Opp. Sona Udyog, Andheri East, Mumbai – 400069, Maharashtra, India.</p> <p><i>Date of Birth:</i> October 14, 1988</p> <p><i>Age:</i> 33 years</p> <p><i>Occupation:</i> Professional</p> <p><i>Term:</i> 5 years w.e.f. June 1, 2022</p> <p><i>Period of Directorship:</i> Appointed as additional Independent Director on w.e.f. June 1, 2022</p> <p><i>DIN:</i> 09359208</p>	Nil
<p><b>Abhishek Agrawal</b></p> <p><i>Designation:</i> Non-Executive and Independent Director</p> <p><i>Address:</i> Nawrang Market Complex, Main Road, Brajarajnagar Jharsuguda – 768216, Odisha, India.</p> <p><i>Date of Birth:</i> April 20, 1992</p> <p><i>Age:</i> 30 years</p> <p><i>Occupation:</i> Professional</p> <p><i>Term:</i> 5 years w.e.f. June 1, 2022</p> <p><i>Period of Directorship:</i> Appointed as additional Independent Director on w.e.f. June 1, 2022</p> <p><i>DIN:</i> 09624370</p>	<ul style="list-style-type: none"> <li>• Sabeena Foods Private Limited</li> </ul>

#### **Relationship between our Directors and our Directors and Key Managerial Personnel**

Other than as mentioned below, none of our Directors are related to each other or to any of the Key Managerial Personnel:

<b>No.</b>	<b>Name of the Director</b>	<b>Related To</b>	<b>Nature of Relationship</b>
1.	Aamer Ahmed Farid	Hani Ahmed Farid	Brothers
2.	Hani Ahmed Farid	Aamer Ahmed Farid	

#### **Brief Profiles of our Directors**

**Aamer Ahmed Farid**, aged 62 years is the Promoter and Managing Director of our Company. He holds a B.Sc. from University of Bombay. He has more than 25 years of experience in pigments industry. He has been the main guiding force behind the growth and business strategy of our Company. He has been a backbone of our Company for identifying, negotiating and implementing new business opportunities. He is in charge of overall sales & marketing function with focus on continuous communication and building relationships with our clients. He plays crucial role in team building and clients addition and retention.

**Hani Ahmed Farid**, aged 66 years is the Promoter and Director of our Company. He holds a B.Com. from University of Bombay. He has also completed his Diploma in Export Management from Xavier Institute of Management. He has more than 25 years of experience in the pigment industry. He looks after the day to day business of our Company and also oversees the Production process.

**Ratnakar Venkappa Rai**, aged 54 years, is an Independent Director of our Company. He has completed his B.Com from University of Bombay in April 1992 and one year Diploma programmed in Business Management from All India Council for Management Studies, Madras in October 1997. He has also been awarded Post Graduate Program in Management Services for undergoing Executive Business Management Program during 2011 to 2013 by WE School (Welingkar Education), Prin. L. N. Welingkar Institute of Management Development & Research, Mumbai, India. He has experience of over 2 decades in the field of liaison, accounts and finance. He has been on our Board since June 1, 2022.

**Shivani S. Tiwari** aged 33 years is the Independent Director of our Company. She has completed her B.Com and M.Com from Mumbai University. She is also a qualified company secretary. She has over 5 years of experience in the field of secretarial and legal compliances. She has been on our Board since June 1, 2022.

**Abhishek Agrawal** aged 30 years is the Independent Director of our Company. He has completed his B. Com (Hons) from Calcutta University. He is a qualified Chartered Accountant and has also completed CFA Level 3 from CFA institute. He has over 5 years of experience in the field of finance and Investment Banking. He has been on our Board since June 1, 2022.

#### **Confirmations:**

- None of the Directors is categorized or are on the RBI List of wilful defaulters.
- None of our Directors are declared Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.
- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Prospectus, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such company.
- None of our Directors have been or are directors on the board of listed companies which have been or were delisted from any stock exchange(s).
- None of our Directors, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms of companies in which they are interested by any person either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.

#### **Arrangement or understanding with major Shareholders, customers, suppliers or others**

None of our Directors have been nominated, appointed or selected pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

#### **Service contracts with Directors**

Our Company has not entered into any service contracts with our Directors which provide for benefits upon the termination of their employment.

### **Borrowing Powers of our Board**

Pursuant to our Articles of Association and in accordance with the provisions of the Companies Act, our Shareholders have passed a special resolution in their meeting held on September 23, 2022 authorizing our Board to borrow, for and on behalf of our Company, from time to time, any sum or sums of monies, in one or more tranches, which may exceed the aggregate of the paid up share capital, free reserves and securities premium account of our Company, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of ₹ 100 crores, including the money already borrowed by our Company.

### **Terms of Appointment of our Executive Directors**

#### ***Aamer Ahmed Farid***

Aamer Ahmed Farid has been a Director of our Company since incorporation. Our shareholders, pursuant to a special resolution passed on September 23, 2022, re-appointed him as a Managing Director of our Company for a period of 3 years with effect from October 1, 2022 at remuneration as detailed below:

- i. Remuneration: Up to maximum of INR 84,00,000/- per annum and performance bonus not exceeding 2.5% of Profit After Tax not exceeding Twenty Five Lakhs Per annum.
- ii. The Managing Director shall be entitled to use the company's car, all the expenses for maintenance and running of the same including the salary of Driver to be borne by the Company.
- iii. Reimbursement of any other expenses properly incurred by him in accordance with rules of the Company.
- iv. Reimbursement of Medical Expenses & LTC as per the rules of the Company.
- v. Other perquisites, allowances, benefits and amenities as per the service rules of the Company as applicable from time to time.

#### ***Hani Ahmed Farid***

Hani Ahmed Farid has been a Director of our Company since incorporation. Our shareholders, pursuant to a special resolution passed on September 23, 2022, re-appointed him as a Whole-time Director of our Company for a period of 3 years with effect from October 1, 2022 at remuneration as detailed below:

- i. Remuneration: Up to maximum of INR 78,00,000/- per annum and performance bonus not exceeding Twenty Lakhs per annum .
- ii. The Whole Time Director shall be entitled to use the company's car, all the expenses for maintenance and running of the same including the salary of Driver to be borne by the Company.
- iii. Reimbursement of any other expenses properly incurred by him in accordance with rules of the Company.
- iv. Reimbursement of Medical Expenses & LTC as per the rules of the Company.
- v. Other perquisites, allowances, benefits and amenities as per the service rules of the Company as applicable from time to time.

### **Payment or benefit to Directors of our Company**

#### **Remuneration to our Executive Directors**

Details of the remuneration paid to our Executive Directors in the Financial Year 2022 are set forth below:

(₹ in lakhs)			
<b>Sr. No.</b>	<b>Name of the Executive Director</b>	<b>Designation</b>	<b>Remuneration</b>
1.	Aamer Ahmed Farid	Managing Director	37.25
2.	Hani Ahmed Farid	Executive Director	37.25

### **Shareholding of Directors in our Company**

Our Articles of Association do not require our Directors to hold qualification shares. As on date of this Prospectus, none of our Directors hold any Equity Shares, except as disclosed below:

Name of Director	Number of Equity Shares Held (Pre-Issue)	% of pre-Issue paid-up equity share capital
Aamer Ahmed Farid	28,00,800	26.67%
Hani Ahmed Farid	28,01,290	26.68%
Abhishek Agrawal	85,600	0.82%
Ratnakar V. Rai	10,000	0.10%

### Interest of Directors

- a) All our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company as well as sitting fees, if any payable to them for attending meeting of our Board or Committees thereof. For Further details, see “*Terms of Appointment of our Executive Directors*” and “*Payment or benefits to Directors of our Company*”, on page 91.
- b) Our Directors may also be interested to the extent of Equity Shares, if any (together with dividend in respect of such Equity shares) held by them in our Company.
- c) Except as disclosed in “*Our Business – Properties/ Land details*” on page 79 of this Prospectus, none of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by our Company.
- d) Further, none of our Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Other than interest of our Promoters as disclosed in the section titled “*Our Promoters and Promoter Group*” on page 100, none of our Directors, are interested in the promotion or formation of our Company.

- e) No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which any of our Directors are interested, by any person, either to induce him to become, or to qualify him as, as a Director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.
- f) Further, except as disclosed in “*Restated Financial Statements*” beginning on page 108, no loans have been availed by our Directors from our Company.
- g) Further, some of our Directors are also shareholders, members, directors and partners of certain Promoter Group entities and may be deemed to be interested to the extent of the payments made by our Company to such Promoter Group entities and the shareholding of such Promoter Group entities, if any and dividends declared thereon. For the payments that are made by our Company to certain Promoter Group entities, For the payments that made by our company to certain Promoter Group entities, see “*Restated Financial Statements – Related Party Disclosure*” on page 134.
- h) Our Directors may be interested to the extent of Equity Shares, if any (together with dividends and other distributions in respect of such Equity Shares), held by them or held by the entities in which they are associated as promoter, directors, partners, proprietors or held by their relatives or that may be subscribed by or allotted to the companies, firms in which they are interested as promoter, directors, partners, or members or pursuant to the Issue.

### Appointment of relatives of Directors to any office or place of profit

No other relatives of directors have been appointed to any office or place of profit in our Company.

### Changes in our Board during the last three years

Except as disclosed below, there have been no changes in our Board during the last three years:

Name of Director	Date of appointment / Change in designation/ Date of Cessation	Reason
Aamer Ahmed Farid	October 1, 2022	Re-Appointed as Managing Director
Hani Ahmed Farid	October 1, 2022	Re-Appointed as Whole time Director
Ratnakar Venkappa Rai	June 1, 2022	Appointed as Independent Director

Name of Director	Date of appointment / Change in designation/ Date of Cessation	Reason
Shivani S. Tiwari	June 1, 2022	Appointed as Independent Director
Abhishek Agrawal	June 1, 2022	Appointed as Independent Director
Ali Mohmedali Bagash	September 22, 2021	Resignation

### Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to our Company immediately upon the listing of Equity Shares on the Stock Exchanges. As on the date of this Prospectus, our Company is in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance, in relation to composition of our Board and committees, thereof.

Currently, our Board comprises of 5 directors, which includes 3 Independent Directors, 2 Executive Directors. In compliance with the provisions of the Companies Act at least two-third of our Directors, other than our Independent Directors, are liable to retire by rotation.

### Committees of our Board

Our Company has constituted the following committees of the Board in terms of the SEBI Listing Regulations and the Companies Act:

- a. Audit Committee;
- b. Nomination and Remuneration Committee;
- c. Stakeholders Relationship Committee; and
- d. Corporate Social Responsibility Committee

#### 1. Audit Committee

Our Audit Committee was last re-constituted pursuant to a resolution of our Board of Directors dated September 5, 2022. The current constitution of the Audit Committee is as follows:

Name of Director	Position in Committee	Designation
Ratnakar Venkappa Rai	Chairperson	Independent Director
Shivani S. Tiwari	Member	Independent Director
Abhishek Agrawal	Member	Independent Director

The Company Secretary of the Company shall act as the Secretary of the Audit Committee.

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 18 of the SEBI Listing Regulations. The powers, roles, responsibilities and terms of reference of the Audit Committee are as follows:

#### A. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

#### B. Role of Audit Committee

The role of the Audit Committee shall include the following:

1. Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon, and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, re-appointment, remuneration and terms of appointment of auditors of the Company and fixation of audit fee and payment of any other service fee;
3. Approval of payments to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
  - 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 of the Company;
  - 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/modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Reviewing the financial statements, in particular, investments made by an unlisted subsidiary;
9. Formulating a policy on related party transactions, which shall include materiality of related party transactions;
10. Granting omnibus approval to related party transactions and laying down criteria for granting such approval in accordance with the SEBI Listing Regulations and reviewing, at least on a quarterly basis, the details of the related party transactions entered into by the Company pursuant to the omnibus approvals granted;
11. Approval of any subsequent modification of transactions of the company with related parties;

Explanation: The term “related party transactions” shall have the same meaning as provided in Clause 2(zc) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “SEBI Listing Regulations”) and/or the Accounting Standards;

12. Scrutiny of inter-corporate loans and investments;
13. Valuation of undertakings or assets of the Company, wherever it is necessary;
14. Evaluation of internal financial controls and risk management systems;
15. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
16. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
17. Discussion with internal auditors of any significant findings and follow up there on;

18. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
19. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
20. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
22. Reviewing the functioning of the whistle blower mechanism;
23. Approval of appointment of CFO (*i.e.*, the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
24. Oversee the vigil mechanism established by the Company and the chairman of audit committee shall directly hear grievances of victimization of employees and directors, who use vigil mechanism to report genuine concerns;
25. Formulating, reviewing and making recommendations to the Board to amend the Audit Committee charter from time to time;
26. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower; including existing loans/ advances/ investments/existing on the date of coming into force of this provision.
27. Consider and comment on rationale, cost – benefits and impact of schemes involving merger, demerger, amalgamation, etc., on the listed entity and its shareholders.
28. Carry out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the board of directors of the Company or specified/provided under the Companies Act or by the SEBI Listing Regulations or by any other regulatory authority.

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;
- Management letters / letters of internal control weaknesses issued by the statutory auditors of the Company;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the chief internal auditor; and shall be subject to review by the audit committee.
- Statement of deviations in terms of the SEBI Listing Regulations:
  - 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 Listing Regulations; and
  - annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(5) of the SEBI Listing Regulations.

## 2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was last re-constituted pursuant to a resolution of our Board of Directors dated September 5, 2022. The current constitution of the Nomination and Remuneration Committee is as follows:

Name of Director	Position in Committee	Designation
Ratnakar Venkappa Rai	Chairman	Independent Director
Shivani S. Tiwari	Member	Independent Director
Abhishek Agrawal	Member	Independent Director

The Company Secretary shall act as a Company as the Secretary of the Nomination and Remuneration Committee.

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee are as follows:

- i. Formulating and recommending to the Board for its approval and also to review from time to time, a nomination and remuneration policy or processes, as may be required pursuant to the provisions of the Companies Act.
- ii. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- iii. Recommending to the Board, all remuneration, in whatever form, payable to senior management;
- iv. Formulation of criteria for evaluation of performance of independent directors and the Board, and determining whether to extend or continue the term of appointment of independent directors, on the basis of the report of performance evaluation of independent directors;
- v. The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:
  - a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- vi. Devising a policy on Board diversity;
- vii. 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 in accordance with the nomination and remuneration policy. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- viii. Analysing, monitoring and reviewing various human resource and compensation matters;
- ix. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- x. Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- xi. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- xii. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  1. the SEBI Insider Trading Regulations; or
  2. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended;
- xiii. Determine 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;
- xiv. Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

xv. Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

### **3. Stakeholders Relationship Committee**

The Stakeholders Relationship Committee was last re- constituted pursuant to a resolution of the Board of Directors dated September 5, 2022. The current constitution of the Stakeholders Relationship Committee is as follows:

<b>Name of Director</b>	<b>Position in Committee</b>	<b>Designation</b>
Ratnakar Venkappa Rai	Chairman	Independent Director
Abhishek Agrawal	Member	Independent Director
Shivani S. Tiwari	Member	Independent Director
Aamer Ahmed Farid	Member	Managing Director

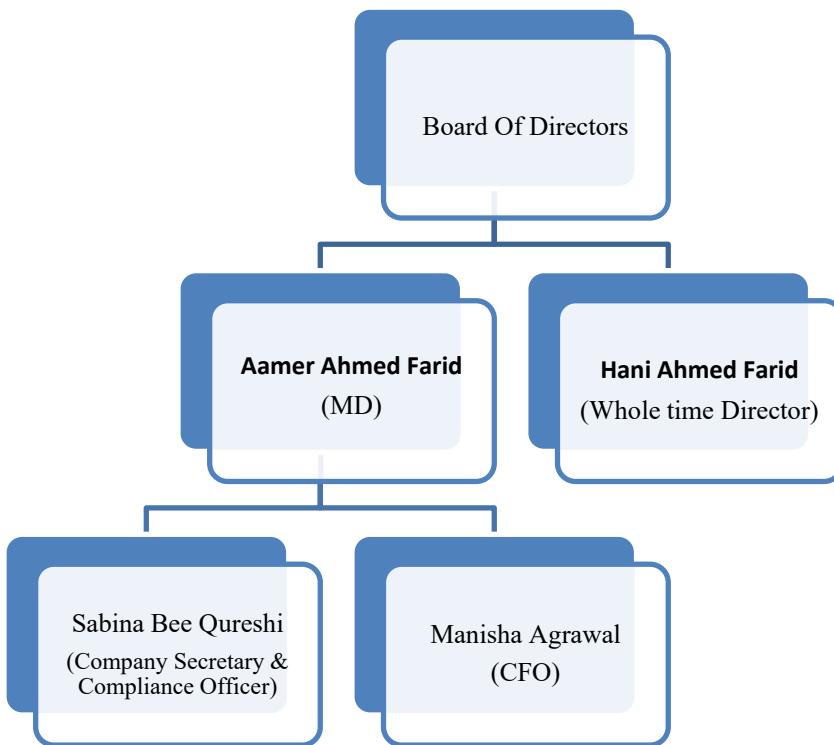
The Company Secretary of the Company shall act as the Secretary of the Stakeholders Relationship Committee.

The scope and function of the Stakeholders Relationship Committee is in accordance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations. The terms of reference of the Stakeholders Relationship Committee are as follows.

The Stakeholders Relationship Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

- Considering and resolving grievances of investors, shareholders, debenture holders and other security holders of the Company, including complaints in respect of allotment of Equity Shares, related to transfer/transmission of shares including non-receipt of share certificates and review of cases for refusal, non-receipt of declared dividends, non-receipt of annual reports, balance sheets of the Company, issue of new/duplicate certificates, general meetings, etc. and assisting with quarterly reporting of such complaints;
- Reviewing of measures taken for effective exercise of voting rights by shareholders;
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate certificates and new certificates on split/ consolidation/ renewal, compliance with all the requirements related to shares, debentures and other securities from time to time;
- Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of the Company and recommending measures for overall improvement in the quality of investor services;
- Considering various aspects of interests of shareholders, debenture holders and other security holders; and
- Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

## ORGANIZATION STRUCTURE



## OUR KEY MANAGERIAL PERSONNEL

Other than our Executive Directors, the following persons are our Key Managerial Personnel. All the Key Managerial Personnel are permanent employees of our Company. For details of the brief profile of our Executive Directors, see "*Our Management - Brief profiles of our Directors*" beginning on page 88. The brief profiles of our other Key Managerial Personnel are as set out below:

**Manisha Agrawal** aged 27 years is the Chief Financial Officer of our Company. She is having over 2 years of experience in accounting and taxation. She has holds bachelors' degree in commerce from Utkal University. She is a Chartered accountant by qualification. She is responsible for accounting, capital allocation, financial reporting and banking decisions in our Company. She has been appointed as CFO w.e.f. June 13, 2022. In Financial year 2021-22, she was not paid any remuneration from our Company.

**Sabina Bee Qureshi**, aged 30 years, is the Company Secretary and Compliance Officer of our Company. She is a qualified Company Secretary. She holds a bachelor's degree in commerce and LLB from University of Mumbai. She has professional experience of over 2 years in the field of secretarial work and corporate law compliances. She has been associated with our Company since May 5, 2022. She is currently responsible for the secretarial and legal compliances and matters in our Company. In Financial year 2022, she was not paid any remuneration from our Company.

### Shareholding of KMP

Sabina Bee Qureshi holds 1,600 Equity Shares in our Company, other than that none of our Key Managerial Personnel hold any Equity Shares.

### Status of Key Managerial Personnel

All our key managerial personnel are permanent employees of our Company.

### Nature of family relationship

None of our Key Management Personnel are related to each other.

### **Arrangements and Understanding with Major Shareholders**

None of our key managerial personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

### **Bonus or Profit Sharing Plan for our Key Managerial Personnel**

As on the date of this Prospectus our Company does not have any performance linked bonus or profit sharing plan with any of our key managerial personnel.

### **Interest of Key Managerial Personnel**

None of our Key Managerial Personnel of our Company have any interests in Our Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. There is no contingent or deferred compensation accrued for the year payable to the key Managerial Personnel, even if the compensation is payable at a later date.

Further, our Key Managerial Personnel may be regarded as interested in the Equity Shares held by them, if any, (together with dividends and any other distributions in respect of such Equity Shares). For details, see “*Capital Structure*” beginning on page 46.

Except as disclosed in “*Restated Financial Statements*” beginning on page 108, no loans have been availed by our Key Managerial Personnel from our Company.

### **Employees Stock Option Scheme**

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of this Prospectus.

### **Payment or Benefit to officers of our Company (non-salary related)**

Except as disclosed in this Prospectus and statutory payments made by our Company, no non-salary amount or benefit has been paid or given to any officer of our Company, including our Directors and our Key Managerial Personnel within the two years preceding the date of this Prospectus or is intended to be paid or given.

### **Changes in our Key Managerial Personnel during the last three years.**

The changes in our Key Management Personnel in the last three years are as follows:

<b>Sr. No.</b>	<b>Name of KMP</b>	<b>Date of Change</b>	<b>Reason for change</b>
1.	Sabina Bee Qureshi	May 5, 2022	Appointed as Company Secretary & Compliance Officer
2.	Manisha Agrawal	June 13, 2022	Appointed as CFO

## OUR PROMOTERS AND PROMOTER GROUP

### **Individual Promoter:**

1. Aamer Ahmed Farid
2. Hani Ahmed Farid

### **Corporate Promoter:**

3. Nil

### **Details of our Promoters**

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**Aamer Ahmed Farid**, aged 62 years is the Promoter and Managing Director of our Company. He holds a B.Sc. from University of Bombay. He has more than 25 years of experience in pigments industry. He has been the main guiding force behind the growth and business strategy of our Company. He has been a backbone of our Company for identifying, negotiating and implementing new business opportunities. He is in charge of overall sales & marketing function with focus on continuous communication and building relationships with our clients. He plays crucial role in team building and clients addition and retention.

For a complete profile of Aamer Ahmed Farid, and other directorships, please refer “*Our Management*” on page 88.

**Passport No:** Z6446217

**PAN:** AAAPF0417G

**Address:** 1001/1002, United Crystal Building, 10<sup>th</sup> Floor, Maghraj Sethi Marg, Opposite Baby Garden, Agripada, Mumbai Central, Mumbai – 400008, Maharashtra, India

As on date of the Prospectus, Aamer Ahmed Farid holds 28,00,800 Equity Shares representing 26.67% of the pre-issue paid-up share capital of our Company.



**Hani Ahmed Farid**, aged 66 years is the Promoter and Director of our Company. He holds a B.Com. from University of Bombay. He has also completed his Diploma in Export Management from Xavier Institute of Management. He has more than 25 years of experience in pigments industry. He looks after of the day to day business of our Company and also over sees the Production process.

For a complete profile of Hani Ahmed Farid, and other directorships, please refer “*Our Management*” on page 88.

**Passport No:** 09570129 (Passport of Republic of Yemen)

**PAN:** AAAPF0416H

**Address:** 1001/1002, United Crystal Building, 10<sup>th</sup> Floor, Maghraj Sethi Marg, Opposite Baby Garden, Agripada, Mumbai Central, Mumbai – 400008, Maharashtra, India

As on date of the Prospectus, Aamer Ahmed Farid holds 28,01,290 Equity Shares representing 26.68% of the pre-issue paid-up share capital of our Company.

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**Declaration:** We confirm that the permanent account number, bank account numbers, passport number, aadhaar card number and driving license number of our Promoters will be submitted to NSE on whose SME Platform the Equity Shares are proposed to be listed at the time of filing the Prospectus with NSE.

### **Interest of our Promoters**

Our Promoters are interested in our Company to the extent (i) that they have promoted our Company; (ii) of their shareholding and the shareholding of relatives in our Company and the dividend payable, if any and other distributions in respect of the Equity Shares held by them or the relatives; (iii) of being Managing Director and Key Management Personnel of our Company and the remuneration, sitting fees and reimbursement of expenses payable by our Company to him; (iv) that he has mortgaged his personal properties and provided personal guarantees for the loans availed by our Company; (v) of being a subscriber to the Memorandum of Association of our Company; (v) of his relatives having been appointed to places of profit in our Company; and (vi) that our Company has undertaken transactions with them, or their relatives or entities in which our Promoter hold shares. For details regarding the shareholding of our Promoter in our Company, please refer “*Capital Structure*”, “*Our Management*” and “*Related Party Transactions*” on pages 46, 88 and 134, respectively.

Other than as mentioned below, our Promoters do not have any interest in any property acquired by our Company within two years of the date of this Prospectus or proposed to be acquired by it or in any transaction in acquisition of land and construction of building etc. Further, our Promoter do not have any interest in any supply of machinery to our Company.

*Our Company has formally taken the back office situated at 15, Old Bangalipura Street, Masjid West, Mumbai – 400003, Maharashtra, India, from M/s MA Bagash an entity forming part of our Promoter group on a yearly lease rent of ₹ 15.58 Lakh.*

Other than as disclosed in the section “*Related Party Transaction as Restated*” on page 134, there are no sales/purchases between our Company and our Promoter and Promoter Group and Group Companies where such sales or purchases exceeding in value in the aggregate 10% of the total sales or purchases of our Company or any business interest between our Company, our Promoter, our Promoter Group and Group Entities as on the date of the last audited financial statements.

Our Promoters may also be deemed to be interested in our Company to the extent of the personal guarantees given by them for the loans availed by our Company. For further details, please see the chapter titled “*Financial Indebtedness*” beginning on page 147 of this Prospectus.

Our Promoters are not members of any firm or company having any interest in the Company for which any sums are paid or agreed to be paid to either of our Promoters or to the firm or company in cash or shares or otherwise by any person either to induce our Promoters to become, or to qualify our Promoters as, a director, or otherwise for services rendered by our Promoters or by the firm or company, in connection with the promotion or formation of the Company.

### **Change in the management and control of our Company**

There has been no change in the management of our Company since incorporation.

### **Group Company**

For details of our group entities, please refer “*Our Group Entities*” on page 103 of the Prospectus.

### **Payment of Benefit to Promoters**

Except as stated above in “*– Interest of Promoters*” and in “*Financial Statements- Annexure XV – Statement of Related Party Transactions*” on pages 100 and 106 of the Prospectus, there has been no payment of benefits to our Promoters, members of our Promoter Group and Group Entities, during the two years preceding the filing of the Prospectus.

### **Material Guarantees**

Our Promoters have not given any material guarantees to any third parties with respect to the Equity Shares, as on the date of this Prospectus.

### **Common Pursuits**

There are no common pursuits common pursuits between our Company and other entities of the Group.

### **Litigation**

For details relating to legal proceedings involving the Promoters, please refer ‘*Outstanding Litigations and Material Developments*’ on page 151 of the Prospectus.

### **Other Confirmations**

Our Promoters and their relatives have not been declared as Wilful Defaulters and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

None of our Promoters or Directors are Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of the Promoters, Promoter Group entities or Group Companies have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Offer against our Promoters, except as disclosed under the chapter titled “Outstanding Litigation and Material Developments” beginning on page 151 of this Prospectus.

Except as disclosed in “*Related Party Transactions*” on page 134, our Promoters are not related to any of the sundry debtors or beneficiaries of loans and advances of our Company.

Our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

### **Material Guarantees**

Our Promoters have not given any material guarantees to any third parties as on the date of this Prospectus except for guarantees given by them to respective lenders in connection with the borrowings availed by our Company. For details of such borrowings availed by our Company see, “*Financial Indebtedness*” and “*Restated Financial Statement*” on pages 147 and 108.

### **Companies with which our Promoters have disassociated in the last three years**

Our Promoters have not disassociated themselves as a promoter(s) from any Company in three years preceding the date of the Prospectus.

## OUR PROMOTER GROUP

In addition to the Promoters named above, the following individuals and entities form part of the Promoter Group:

### A. Individuals forming part of Promoter Group:

Relationship	Aamer Ahmed Farid	Hani Ahmed Farid
Father	Lt. Ahmed Farid	Lt. Ahmed Farid
Mother	Lt. Akhtari Ahmed Farid	Lt. Akhtari Ahmed Farid
Spouse	Sobiya Aamer Farid	Anjum Hani Farid
Brother	Hani Ahmed Farid	Aamer Ahmed Farid
Sister	Balquis Ahmed Farid Khaula Ahmed Farid Saud Ahmed Farid Asma Ahmed Farid	Balquis Ahmed Farid Khaula Ahmed Farid Saud Ahmed Farid Asma Ahmed Farid
Son	Bashaar Aamer Farid	Ahmed Hani Farid Muhammad Hani Farid
Daughter	Ayesha Aamer Farid Ilham Aamer Farid	N.A.
Spouse's Father	Lt. Rauf Rais	Abdul Rashid Dhakam
Spouse's Mother	Fehmida Rauf Rais	Suraiya Abdul Rashid Dhakam
Spouse's Brother	Asil Rauf Rais Waki Rauf Rais	Imtiaz Abdul Rashid Dhakam Zahid Abdul Rashid Dhakam
Spouse's Sister	Mazna Rauf Rais Debah Rauf Rais	Nuzhat Abdul Rashid Dhakam Nabila Abdul Rashid Dhakam

### B. Entities forming part of Promoter Group:

#### *Companies*

- Jazira Plantations Private Limited
- Jazira Real Estates Private Limited

#### *LLPs*

- Prime Foods And Confectionery LLP

#### *Partnership Firms*

- Prime Properties

#### *H.U.F.*

Nil

#### *Proprietary concern*

M/s MA Bagash

#### *Other Persons forming part of Promoter Group*

- Mr. Ali Mohamadali Bagash

## OUR GROUP ENTITIES

In terms of the SEBI ICDR Regulations ‘group companies’ of our Company shall include (i) the companies (other than our Subsidiaries) with which there were related party transactions, in accordance with Ind AS 24, as disclosed in the Restated Financial Statements; and (ii) such other companies as considered material by our Board pursuant to the materiality policy.

Accordingly, based on the parameters outlined above, as on the date of this Prospectus, our Company has following group entity:

### **Prime Foods And Confectionery LLP (PFCL)**

PFCL was incorporated as LLP under the section 12(1) of the Limited Liability Partnership Act, 2008 on September 25, 2018. The LLP identification number is AAN-3524. The registered address of the LLP is located at IM/S A Bagash, 15 Old Bengalipura, Mumbai – 400003, Maharashtra, India.

The financial information of PFCL is available at the website of our Company at [www.ducol.com](http://www.ducol.com).

Aamer Ahmed Farid and Hani Ahmed Farid are the designated partners.

### **Litigation**

There is no outstanding litigation involving our Group Companies which have a material impact on our Company.

### **Group Companies under the Insolvency and Bankruptcy Code, 2016**

Neither has any winding up petition been filed under the Companies Act, 2013 against any group company nor has any corporate insolvency resolution process commenced against such group company under the Insolvency and Bankruptcy Code, 2016 or any other applicable law.

### **Defunct Group Companies**

None of our Group Companies are defunct companies, nor has any application been made to strike off their names from the register of companies during the five years preceding the date of filing the Prospectus.

### **Related Party Transactions and sales and purchases between our Company and Group Entities**

For details of related party transactions entered into by our Company, refer “*Related Party Transactions*” on page 134.

### **Common Pursuits**

There are no common pursuits amongst any of our Group Companies and our Company.

### **Interest of Group Entities**

- a) None of the Group Companies have any interest in the promotion of our Company.
- (b) None of the Group Companies are interested in the properties acquired or proposed to be acquired by our Company in the preceding three years.
- (c) Except as disclosed in “Financial Statements” beginning on page 146, none of the Group Companies is interested in any transactions for acquisition of land, construction of building or supply of machinery.
- (d) Except in the ordinary course of business as disclosed in “Financial Statements” beginning on page 108, none of the Group Companies have any business interest or other interests in our Company.

### **Payment or Benefit to our Group Entities**

Except as stated in the “*Related Party Transactions*” on page, there has been no payment of benefits to our Group Entities during the two years prior to the filing of this Prospectus.

### **Other Confirmations**

As on the date of this Prospectus, none of the Group Entities: (i) are listed on any stock exchange; (ii) have completed any public or rights issue since the date of its incorporation; (iii) has received any winding up petition accepted by a court; (iv) have become defunct; (v) have made an application to the relevant registrar of companies (in India), for striking off its name (vi) have been identified as wilful defaulters, as defined under the SEBI (ICDR) Regulations and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them (vii) have been refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad (viii) had negative net worth as of the date of their last audited financial statements.

## **RELATED PARTY TRANSACTIONS**

For details of related party transactions of our Company as per the requirements under Accounting Standard 18 “*Related Party Disclosures*” issued by the Institute of Chartered Accountants of India and as reported in the Restated Financial Statements, please refer “*Statement of Related Parties & Transactions*” on page 134.

## **DIVIDEND POLICY**

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions, and overall financial position of our Company. The details of dividend during Fiscal 2022 are as under:

<b>Particulars</b>	<b>Fiscal 2022</b>	<b>Fiscal 2021</b>
Equity Share Capital	300.00	300.00
Face value per share (in ₹)	10.00	10.00
Amount of Dividend (in ₹ lakhs)*	30.00	30.00
Dividend per share (in ₹)	3	3

Our Company has no formal dividend policy. Our Board may also, from time to time and in accordance with applicable laws, pay interim dividends from the profits of the Financial Year in which such interim dividend is sought to be declared.

**SECTION VI – FINANCIAL INFORMATION  
FINANCIAL STATEMENTS**

**RESTATED FINANCIAL STATEMENTS**

**INDEPENDENT AUDITOR'S REPORT**

(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

**To,**

**The Board of Directors**

**Ducol Organics And Colours Limited**

Office No 302, Express Building, 14-E Road,  
Churchgate, Mumbai – 400020,  
Maharashtra, India

Dear Sir,

**1. Report on Restated Financial Statements**

We have examined the Restated Financial Statements of **Ducol Organics And Colours Limited** (hereinafter referred as “the Company”), the summarized statements of which annexed to this report have been prepared in accordance with the requirements of:

- i. Section 26 read with the applicable provisions within Rule-4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of Companies Act, 2013, As amended (hereinafter referred to as the “Act”) and
- ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“the Regulation”) (“SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (SEBI) and amendments made thereto;
- iii. The terms of reference to our engagements with the Company requesting us to examine financial statements referred to above and proposed to be included in the Draft Prospectus /Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares on SME Platform of Stock Exchange (“IPO” or “SME IPO”);
- iv. The (Revised) Guidance Note on Reports in Company Prospectus issued by the Institute of Chartered Accountants of India (“ICAI”); and
- v. In terms of Schedule VI of the SEBI (ICDR) Regulations, 2018 and other provisions relating to accounts, We, M/s Choudhary Choudhary & Co., Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

2. The Restated Summary Statements and Financial information of the Company have been extracted and prepared by the management from the Audited Financial Statements of the Company for the financial years ended March 31, 2022, 2021 and 2020 which have been approved by the Board of Directors.
3. Financial Statements for the 6 months period ended September 30, 2022 have been audited by us, further the financial statements for the year ended March 31, 2022 has been audited by M/s R H Modi & Co., Chartered Accountants and reaudited by us for the purpose of restatement as required under SEBI ICDR Regulations. The Financial Statements for the financial years ended March 31, 2021 and March 31, 2020 was audited by A P & Co., Chartered Accountants, being then Statutory Auditor of the Company for the respective years, which are all approved by the Board of Directors as on that date and upon which we have placed our reliance while reporting.
4. **Financial Information as per Audited Financial Statements:**

- i. We have examined:
  - a. The attached Restated Statement of Assets and Liabilities of the company, as at September 30, 2022, March 31, 2022; March 31, 2021 and March 31, 2020, (Annexure I);
  - b. The attached Restated Statement of Profits and Losses of the Company for the 6 months period ended September 30, 2022 and financial years ended March 31, 2022, 2021 and 2020, (Annexure II);
  - c. The attached Restated Statement of Cash Flows of the Company for the 6 months period ended September 30, 2022 and financial years ended March 31, 2022, 2021 and 2020, (Annexure III);
  - d. The Significant Accounting Policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings.(Annexure IV);

(Collectively hereinafter referred as "**Restated Financial Statements**" or "**Restated Summary Statements**")

- ii. In accordance with the requirements of Act, ICDR Regulations as amended from time to time, Guidance Note on the reports in Company Prospectus (Revised) issued by ICAI and the terms of our Engagement Letter, we further report that:
  - a. The "Restated Statement of Assets and liabilities" as set out in Annexure I to this report, of the Company as at September 30, 2022, March 31, 2022, 2021 and 2020 are prepared by the Company and approved by the Board of Directors. This Statement of Assets and Liabilities, 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 the Restated Summary Statements as set out in Annexure IV to this Report.
  - b. The "Restated Statement of Profit and Loss" as set out in Annexure II to this report, of the Company for the 6 months period ended September 30, 2022 and financial years ended March 31, 2022, 2021 and 2020 are prepared by the Company and approved by the Board of Directors. This Statement of Profit and Loss, 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 the Restated Summary Statements as set out in Annexure IV to this Report.
  - c. The "Restated Statement of Cash Flow" as set out in Annexure III to this report, of the Company for the 6 months period ended September 30, 2022 and financial years ended March 31, 2022, 2021 and 2020, are prepared by the Company and approved by the Board of Directors. This 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 Restated Summary Statements as set out in Annexure IV to this Report.

Based on the above we are of the opinion that "**Restated Financial Statements**" or "**Restated Summary Statements**" have been made after incorporating:

- a. There are no adjustments for any material amounts in the respective financial years have been made to which they relate, other than the adjustment for Deferred Tax and depreciation.
- b. There are no Extra-ordinary items that need to be disclosed separately in the Restated Summary Statements.
- c. There were no audit qualifications for which adjustment was required.
- d. There was no change in accounting policies, which needs to be adjusted in the Restated Financial Statements.
- e. There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements.
- f. The Company has not paid dividend on its equity shares.

## 5. Other Financial Information:

I. We have also examined the following financial information as set out in annexure prepared by the Management and as approved by the Board of Directors of the Company for the 6 months period ended September 30, 2022 and financial years ended March 31, 2022, 2021 and 2020.

PARTICULARS	ANNEXURE NO.
STATEMENT OF ASSETS AND LIABILITIES AS RESTATED	I
STATEMENT OF PROFIT & LOSS AS RESTATED	II
STATEMENT OF CASH FLOWS AS RESTATED	III
SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS	IV
STATEMENT OF SHARE CAPITAL AS RESTATED	I.1
STATEMENT OF RESERVES AND SURPLUS AS RESTATED	I.2
STATEMENT OF LONG TERM BORROWINGS AS RESTATED	I.3
STATEMENT OF LONG TERM PROVISIONS AS RESTATED	I.4
STATEMENT OF DEFERRED TAX AS RESTATED	I.5
STATEMENT OF SHORT TERM BORROWINGS AS RESTATED	I.6
STATEMENT OF TRADE PAYABLES AS RESTATED	I.7
STATEMENT OF OTHER CURRENT LIABILITIES AS RESTATED	I.8
STATEMENT OF SHORT TERM PROVISIONS	I.9
STATEMENT OF FIXED ASSETS AS RESTATED	I.10
STATEMENT OF OTHER NON-CURRENT INVESTMENTS AS RESTATED	I.11
STATEMENT OF OTHER LONG TERM LOANS AND ADVANCES AS RESTATED	I.12
STATEMENT OF INVENTORIES AS RESTATED	I.13
STATEMENT OF TRADE RECEIVABLES AS RESTATED	I.14
STATEMENT OF CASH AND CASH EQUIVALENTS AS RESTATED	I.15
STATEMENT OF SHORT TERM LOANS & ADVANCES AS RESTATED	I.16
STATEMENT OF OTHER CURRENT ASSETS AS RESTATED	I.17
STATEMENT OF REVENUE FROM OPERATIONS AS RESTATED	II.1
STATEMENT OF OTHER INCOME AS RESTATED	II.2
STATEMENT OF COST OF MATERIAL CONSUMED AS RESTATED	II.3
STATEMENT OF CHANGES IN INVENTORY AS RESTATED	II.4
STATEMENT OF EMPLOYEE BENEFIT EXPENSES AS RESTATED	II.5
STATEMENT OF OTHER EXPENSES AS RESTATED	II.6
STATEMENT OF FINANCIAL CHARGES AS RESTATED	II.7
STATEMENT OF RELATED PARTY TRANSACTIONS AS RESTATED	V
<b>OTHER FINANCIAL INFORMATION</b>	
STATEMENT OF ACCOUNTING RATIOS AS RESTATED	VI
STATEMENT OF CAPITALIZATION AS RESTATED	VII

II. The Restated Financial Information contain all the disclosures required by the SEBI ICDR regulations and partial disclosures as required by Accounting Standards notified under section 133 of Companies Act, 2013.

III. We have not audited any financial statements of the Company as of any date or for any period subsequent to September 30, 2022. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company as of any date or for any period subsequent to September 30, 2022.

- IV. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company in accordance with the provisions of the Act and the Financial Information referred to above is the responsibility of the management of the Company.
- V. In our opinion, the above restated financial information contained in this report read along with the are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with paragraph B, Part II of Schedule II of the Act, the SEBI Regulations, The Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with the Company. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.
- VI. Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
- VII. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit report, nor should this constructed as a new opinion on any of the financial statements referred to herein.
- VIII. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- IX. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or adjusted for any other purpose without our written consent.

## **6. Auditor's Responsibility**

Our responsibility is to express an opinion on these restated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **7. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the restated financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable.

As per our Report Attached  
**For M/s. Choudhary Choudhary & Co.,**  
Chartered Accountants

CA Alok Kumar Mishra  
Partner  
**Membership No:** 124184  
**Firm Registration No:** 002910C  
**Date:** November 15, 2022  
**Place:** Mumbai  
**UDIN:** 22124184BDGDTA5180

Annexure I

## STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(₹ in Lakhs)

Particulars	Note No.	30.09.22	31.03.22	31.03.21	31.03.20
<b>Equity &amp; Liabilities</b>					
<b>Shareholders Fund</b>					
Share capital	I.1	1050.00	300.00	300.00	300.00
Reserves and surplus	I.2	1,490.35	1,853.14	1,389.94	1,105.68
<b>Total Shareholder's Fund</b>		<b>2,540.35</b>	<b>2,153.14</b>	<b>1,689.94</b>	<b>1,405.68</b>
<b>Non Current Liabilities</b>					
Long Term Borrowings	I.3	1034.28	1104.34	1,253.20	1,725.14
Long term provisions	I.4	68.34	67.58	57.60	49.26
Deferred Tax Liability	I.5	111.53	161.75	158.13	150.95
<b>Total Current Liabilities</b>		<b>1,214.15</b>	<b>1,333.67</b>	<b>1,468.93</b>	<b>1,925.35</b>
<b>Current Liabilities</b>					
Short Term Borrowings	I.6	315.73	887.17	403.48	571.77
Trade Payables	I.7	1797.81	1776.66	2,027.47	1,992.99
Other Current Liabilities	I.8	99.38	89.75	75.44	85.45
Short Term Provisions	I.9	87.91	107.13	44.86	159.18
<b>Total Current Liabilities</b>		<b>2,300.83</b>	<b>2,860.71</b>	<b>2,551.25</b>	<b>2,809.39</b>
<b>Total Equity &amp; Liability</b>		<b>6,055.33</b>	<b>6,347.51</b>	<b>5,710.12</b>	<b>6,140.42</b>
<b>Non-Current Assets</b>					
a) Fixed Assets					
Tangible Assets		1505.46	1488.58	1,511.85	1,941.01
Intangible Assets		0.00	0.00	0.00	0.00
Capital WIP		941.79	827.02	492.35	
<b>Total Fixed Assets (a)</b>	I.10	<b>2,447.25</b>	<b>2,315.60</b>	<b>2,004.19</b>	<b>1,941.01</b>
b) Non Current Investments	I.11	38.63	38.63	10.07	10.07
c) Long Term Loans and Advances	I.12	81.87	76.93	96.87	96.06
d) Other Non Current Assets		0.00	0.00	0.00	0.00
e) Deferred Tax Assets		0.00	0.00	0.00	0.00
<b>Total Non Current Assets</b>		<b>2,567.75</b>	<b>2,431.16</b>	<b>2,111.13</b>	<b>2,047.14</b>
<b>Current assets</b>					
Current Investments		0.00	0.00	0.00	0.00
Inventories	I.13	2,115.27	1,881.49	1,762.61	2,166.79
Trade Receivables	I.14	1,039.02	1,023.27	977.16	1,010.14
Cash and Cash Equivalents balances	I.15	240.46	192.39	231.25	270.07
Short Term Loans and advances	I.16	37.29	755.64	548.66	646.28
Other Current Assets	I.17	55.53	63.57	79.32	0.00
<b>Total Current Assets</b>		<b>3,487.57</b>	<b>3,916.35</b>	<b>3,598.99</b>	<b>4,093.28</b>

<b>Total Assets</b>		<b>6,055.33</b>	<b>6,347.51</b>	<b>5,710.12</b>	<b>6,140.42</b>
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Annexure II

**STATEMENT OF PROFIT & LOSS AS RESTATED**

(₹ in Lakhs)

<b>Particulars</b>	<b>Note No.</b>	<b>30.09.22</b>	<b>31.03.22</b>	<b>31.03.21</b>	<b>31.03.20</b>
<b>Income</b>					
Revenue from Operations	II.1	4,859.19	8,798.57	7,791.63	7,317.26
Other Income	II.2	15.61	95.04	94.17	54.87
<b>Total Revenue</b>		<b>4,874.80</b>	<b>8,893.61</b>	<b>7,885.80</b>	<b>7,372.13</b>
<b>Expenditure</b>					
Cost of Material Consumed	II.3	2,906.15	5529.38	4,483.30	4,765.63
Changes in Inventories	II.4	-50.14	75.09	365.15	-171.31
Employee Benefit Expenses	II.5	290.51	538.88	422.24	458.23
Other Expenses	II.6	1,070.33	1,749.81	1,869.53	1,849.40
<b>Total (B)</b>		<b>4,216.85</b>	<b>7893.16</b>	<b>7,140.22</b>	<b>6,901.95</b>
<b>Profit Before Interest, Depreciation and Tax</b>		<b>657.95</b>	<b>1000.45</b>	<b>745.59</b>	<b>470.18</b>
Depreciation & amortisation expenses	I.10	54.67	112.04	115.46	167.90
<b>Profit Before Interest and Tax</b>		<b>603.28</b>	<b>888.41</b>	<b>630.13</b>	<b>302.28</b>
Financial Charges	II.7	98.28	267.68	290.37	273.33
<b>Profit before Taxation</b>		<b>505.00</b>	<b>620.73</b>	<b>339.76</b>	<b>28.95</b>
Provision for Taxation		138.00	126.00	51.15	6.82
Provision for Deferred Tax		-50.21	3.62	7.17	15.14
<b>Total</b>		<b>87.79</b>	<b>129.62</b>	<b>58.32</b>	<b>21.96</b>
<b>Profit After Tax but Before Extra ordinary Items</b>		<b>417.22</b>	<b>491.11</b>	<b>281.43</b>	<b>7.00</b>
Extraordinary Items		0.00	0.00	0.00	0.00
Prior Period Items					
<b>Net Profit after adjustments</b>		<b>417.22</b>	<b>491.11</b>	<b>281.43</b>	<b>7.00</b>
<b>Net Profit Transferred to Balance Sheet</b>		<b>417.22</b>	<b>491.11</b>	<b>281.43</b>	<b>7.00</b>

## Annexure III

## STATEMENT OF CASH FLOWS AS RESTATED

(₹ in Lakhs)

PARTICULARS	30.09.22	31.03.22	31.03.21	31.03.20
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit Before Tax	<b>505.00</b>	<b>620.73</b>	<b>339.76</b>	<b>28.95</b>
<i>Adjusted for :</i>				
a. Depreciation	54.67	112.04	115.46	167.90
b. Interest Expenses & Finance Cost	98.28	267.68	290.37	273.33
c. Interest & Other Income	(15.61)	(95.04)	(94.17)	(54.87)
d. Other Adjustment		2.09	(5.54)	(44.65)
<b>Operating profit before working capital changes</b>	<b>642.34</b>	<b>907.50</b>	<b>645.87</b>	<b>370.66</b>
<i>Adjusted for :</i>				
a. Decrease / (Increase) in Inventories	(233.78)	(118.88)	404.18	(279.24)
b. Decrease / (Increase) in trade receivable	(15.76)	(46.11)	32.98	(81.38)
c. Decrease / (Increase) in Current Investments	0.00	0.00	0.00	0.00
d. (Increase) / Decrease in short term loans and advances	718.35	(206.98)	97.63	(244.58)
e. Increase / (Decrease) in Trade Payables	21.15	(250.81)	34.48	461.06
f. Increase / (Decrease) in short term provisions	(19.21)	62.26	(114.32)	10.32
g. Increase / (Decrease) in other current liabilities	9.63	14.31	(10.01)	37.06
h. (Increase) / Decrease in Other Current Assets	8.05	15.74	(79.32)	138.35
<b>Cash generated from operations</b>	<b>1130.75</b>	<b>377.04</b>	<b>1011.49</b>	<b>412.24</b>
Income Tax Paid (net of refunds)	138.00	126.00	51.15	6.82
<b>NET CASH GENERATED FROM OPERATION</b>	<b>992.75</b>	<b>251.04</b>	<b>960.34</b>	<b>405.42</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITES</b>				
a. (Purchase) / Sale of Fixed Assets	(186.31)	(423.45)	(170.27)	(180.04)
b. (Purchase) / Sale of non-current investment	0.00	(28.56)	0.00	0.00
c. (Increase) / Decrease in Long term loans and advances	(4.94)	19.94	(0.80)	(12.00)
d. Increase / (Decrease) in Long Term Provisions	0.76	9.97	8.34	13.43
e. (Increase) / Decrease in Other Non Current Assets	0.00	0.00	0.00	0.00
f. (Increase) in Misc. Expenses	0.00	0.00	0.00	0.00
g. Interest & Other Income	15.61	95.04	94.17	54.87
h. Dividend Income	0.00	0.00	0.00	0.00
<b>Net cash (used) in investing activities</b>	<b>(174.89)</b>	<b>(327.06)</b>	<b>(68.56)</b>	<b>(123.74)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITES</b>				
a. Interest & Finance Cost	(98.28)	(267.68)	(290.37)	(273.33)
b. Proceeds from share issued / application	0.00	0.00	0.00	0.00
c. (Repayments) / proceeds of long term borrowings	(70.07)	(148.86)	(471.94)	(316.02)
d. (Repayments) / proceeds of short term borrowings	(571.44)	483.69	(168.29)	428.90
e. Dividend Paid	(30.00)	(30.00)	0.00	0.00
<b>Net cash generated/(used) in financing activities</b>	<b>(769.79)</b>	<b>37.15</b>	<b>(930.60)</b>	<b>(160.45)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>48.07</b>	<b>(38.87)</b>	<b>(38.82)</b>	<b>121.24</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>192.39</b>	<b>231.25</b>	<b>270.07</b>	<b>148.84</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>240.46</b>	<b>192.38</b>	<b>231.25</b>	<b>270.07</b>

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 cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

## **SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS**

### **SIGNIFICANT ACCOUNTING POLICIES**

#### **Note No.1: Corporate Information**

Ducol Organics and Colours Limited (Formerly known as Ducol Organics and Colours Private Limited) was incorporated as private limited on 16 June 1994 and registered under The Companies Act, 1956. Company was converted into Public Limited Company and consequently name of the company was changed from Ducol Organics and Colours Private Limited to Ducol Organics and Colours Limited vide special resolution passed by the shareholders at the Extraordinary General Meeting held on 26th June 2022 and a revised certificate of incorporation dated 1st July 2022 issued by the Registrar of Companies, Mumbai. The company is engaged in the business of Manufacturing of pigment, pigment power, pigment paste and other chemical products.

#### **Note No.2: SIGNIFICANT ACCOUNTING POLICY**

##### **1. System of Accounting:**

These financial statements are prepared in conformity with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP 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, provision of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### **2. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

##### **3. Property, plant and equipment**

(i) Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation, goods and service tax and accumulated impairment loss, if any. Cost includes duties, freight and other incidental expenses directly related to acquisition / construction and installation of the assets. Any trade discounts, and rebates are deducted in arriving at the purchase price.

(ii) An item of property, plant and equipment is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal are recognised in the Statement of Profit and Loss.

(iii) Depreciation

Depreciation is provided on Written down Value Method over the useful life of the assets at the rates and in the manner prescribed under part "C" of Schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged.

a)

Assets	Useful lives
Laboratory Equipments	10 Years

Plant & Machinery	15- 20 Years
Office Equipments	5 Years
Electrical Equipments	10 Years
Furniture & Fixture	10 Years
Generator	20 Years
Electrical Installations	10 Years
Motorcar	8 Years
Activa	10 Years
Computers	3 Years
Server	6 Years

- b) Land and leasehold land is amortised at the rate of 1 percent on written down value instead of spread over number of years
- c) Factory Building is depreciated at 9.5 percent on Written down value which is more than the rate suggested in schedule II of the Companies Act, 2013
- d) No Depreciation charged on property held for investment

#### **4. Inventories:**

Inventories are valued on the principle laid down by AS 2 “Inventories” on the basis given below:

Raw Material, Stores & Packing Material: Lower of cost (determined on weighted average basis) and net realizable value.

Work in Progress: Lower of cost and net realizable value. Cost includes direct materials, Packaging Material, labour and a proportion of manufacturing overheads based on normal operating capacity.

Finished Goods: "Lower of cost and net realizable value. Cost includes direct materials, Packaging Material, labour, a proportion of manufacturing overheads based on normal operating capacity"

#### **5. Revenue Recognition:**

The Company’s revenue was primarily comprised of sale of pigments, pigments paste, pigments power and master batch

Revenue on sale of goods is recognized when property in the goods is transferred to the buyer for a price, or when all significant risks and rewards of ownership have been transferred to the buyer and no effective control is retained by the Company in respect of the goods transferred, to a degree usually associated with ownership, and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods

Revenue from sale of Duty Credit Script is recognized on cash basis as and when received.

Dividend income is recognized when the unconditional right to receive the income is established.

Revenue from interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable

#### **6. Retirement Benefits:**

The Company provides for Gratuity, covering eligible employees under Gratuity Scheme. On reporting date, liabilities with respect to gratuity plan as determined by an independent actuarial valuation and actuarial gains/losses are charged to the Statement of Profit and Loss Account. The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as liability and as per the requirements of AS15 (Revised 2005).

Leave encashment is recorded in the books of the Company as and when the same arises and becomes payable. The Company does not make any provisions in the books of account for leave encashment becoming due or expected after the balance sheet date.

## **7. Foreign currency Transaction:**

Foreign currency transactions are recorded at the rates prevailing at the date of transaction. Monetary items denominated in foreign currencies at the year-end are translated at the year-end rates. Any exchange differences arising on settlement/transaction are dealt with in the statement of profit and loss.

## **8. Borrowing Cost :**

Borrowing costs directly attributable to acquisition or construction of property, plant & Equipment which necessarily take substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are charged to profit and loss account.

## **9. Taxes on Income:**

Current Tax is determined as the tax payable in respect of taxable income for the year.

Deferred tax is recognized on timing differences between taxable and accounting income / expenditure that originates in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Asset is recognized on the basis of virtual / reasonable certainty about its realizability, as applicable.

## **10. Earning Per Share:**

The basic and diluted earning per share (EPS) is computed by dividing the net profit/loss after tax for the year by weighted average number of equity shares outstanding during the year.

## **11. Impairment of Assets**

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

## **12. Provisions Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes after careful evaluation by the management of the facts and legal aspects of the matters involved. Contingent Assets are neither recognized nor disclosed in the financial statements.

## **NOTES ON ACCOUNTS AND RESTATEMENTS MADE IN THE RESTATED FINANCIALS**

### **1. Foreign Exchange**

(Rs. Lakhs)

<b>PARTICULARS</b>	<b>30<sup>th</sup> September 2022</b>	<b>31<sup>st</sup> March 2022</b>	<b>31<sup>st</sup> March 2021</b>
Earning in Foreign Exchange	220.77	8,412.62	8,032.37
<b>Expenditure in Foreign Currency</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
CIF Value of Import Purchase	288.49	2,932.51	584.64
Foreign Travelling Expenses	5.95	25.86	18.30

2. The company has not received any information from its suppliers regarding registration under the “The Micro, Small and Medium Enterprises Development Act, 2006. Hence, the information required to be given in accordance with Section 22 of the said Act, is not ascertained and not disclosed.

3. Segment Reporting

The company has only one business segment viz. Manufacture of other chemical products, which is being considered as the primary segment.

The information regarding the secondary segment, i.e. 'geographical segments' is given below:

Sr No	Particulars Period ended September 30, 2022	Geographical Segments			(Rs. Lakhs)
		India	Outside India	Total	
1	<b>Segment Revenue</b>				
	Sales and Other Income from operations	4,654.02	220.77	4,874.79	
2	<b>Carrying amount of assets by geographical location of assets</b>				
	Segment Assets - Debtors	911.32	127.71	1,039.02	
3	<b>Additions to fixed assets and intangible assets</b>				
	Addition to fixed assets	186.31	0.00	186.31	

Sr No	Particulars	FY 2022	Geographical Segments			(Rs. Lakhs)
			India	Outside India	Total	
1	<b>Segment Revenue</b>					
	Sales and Other Income from operations	8,885.20	8.41	8,893.61		
		-7,877.77	-8.03	-7,885.80		
2	<b>Carrying amount of assets by geographical location of assets</b>					
	Segment Assets - Debtors	891.97	181.94	1,073.91		
		-844.38	-132.78	-977.16		
3	<b>Additions to fixed assets and intangible assets</b>					
	Addition to fixed assets	423.45	0.00	423.45		
		-172.19	0.00	-172.19		

Notes:

Secondary segments identified are as per the requirements of Accounting Standard AS-17 'Segment Reporting' issued by The Institute of Chartered Accountancy of India, taking into account the organization structure as well as the differing risks and returns

The segment revenue, results and total assets include the revenue and assets respectively, which are identifiable with each segment and amounts allocated to the segments on a reasonable basis

Figures in the bracket represents figures of previous year

4. Balances of debtors, creditors and advances are subject to confirmation / reconciliations, if any. The management does not expect any material difference affecting the financial statements on such reconciliation / adjustments. In the opinion of the management, current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet. The provision for depreciation and for all known liabilities is adequate and no in excess of the amount reasonably stated.

## 5. Foreign Currency Exposure

During the year the Company has not entered into any derivative contract. Details of Foreign currency exposure not covered by any derivative instruments are as under :

	Amount in Foreign Currency (USD)	Amount in Rs. Lakhs	Amount in Foreign Currency (USD)	Amount in Rs. Lakhs	Amount in Foreign Currency (USD)	Amount in Rs. Lakhs
	<b>6 months period ended September 30, 2022</b>		<b>FY 2022</b>		<b>FY 2021</b>	
Foreign Currency Receivable	1,74,187	127.71	2,37,969	181.94	1,79,425	132.78
Foreign Currency Payable	44,860	36.12	35,000	26.83	50,043	36.92

6. In the opinion of Board of Directors, the Current Assets Loans and Advances are approximately of the same value if realized in the ordinary course of business and the provisions of all known liabilities are adequate.
7. There are no contingent Liabilities reported and as such no provision has been made in these accounts for such liability.
8. Other figures of the previous years have been regrouped / reclassified and / or rearranged wherever necessary.
9. 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 SEBI Regulations.

## 10. Material Adjustments

- Debtors and Advances considered doubtful and unrecoverable have been written off in FY 2022.**
- Other than as mentioned below, there are no material adjustments or errors which required adjustment for the purpose of restatement:

Particulars	30.09.22	31.03.22	31.03.21	31.03.20
<b>Balance Sheet</b>				
Reserve and Surplus as per audited	1524.32	1,908.07	1,592.64	1,403.72
Impact of Prior Period items	0.00	0.00	-6.15	-0.62
Impact of Gratuity Provision	0.00	0.00	-60.30	-55.62
Reversal of Depreciation on Land	59.02	59.02	54.27	49.47
Adjustment for Deferred Revenue Expenditure	-92.99	-113.96	-190.51	-291.27
<b>Reserve and Surplus as per restated</b>	<b>1490.35</b>	<b>1853.14</b>	<b>1389.94</b>	<b>1105.68</b>
<b>Profit &amp; Loss</b>				
Profit Carried to B/s as per Audited Financial Statements	396.25	345.43	188.92	17.49
Profit Carried to B/s as per Restated Financial Statements	417.22	491.11	281.43	7.00
<b>Impact due to Restatement</b>	<b>20.97</b>	<b>145.68</b>	<b>92.51</b>	<b>(10.49)</b>

### 11. Adjustments not having impact on profit

Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.

### 12. Amounts in the financial statements

Amounts in the restated financial statements are reported in rupees in lakhs and rounded off to second digit of decimal. Figures in brackets indicate negative values.

### 13. Auditors Qualifications –

Details of Auditors qualifications and their impact on restated financial statement is given below:

- a) Qualification which required adjustment in restated financial statements: None
- b) Qualification which does not require adjustment in restated financial statements: None

### **CHANGES IN ACCOUNTING POLICIES IN THE PERIOD/YEARS COVERED IN THE RESTATED FINANCIALS**

In compliance with AS 15 (Revised), Employee Benefits, during FY 2021, company has made provision for Gratuity Rs 72.40 Lakhs including that of earlier years amounting to Rs 68.82 Lakhs. The same has been adequately adjusted in respective years.

### **STATEMENT OF SHARE CAPITAL AS RESTATED**

**Annexure – I.1**

(₹ in lakhs)

Particulars	30.09.22	31.03.22	31.03.21	31.03.20
Authorised				
Equity shares of ₹ 10/- each	1,050.00	300.00	300.00	300.00
Issued, Subscribed & Fully Paid-up				
Equity shares of ₹ 10/- each	1,050.00	300.00	300.00	300.00

Note: The Company has only one class of equity shares of par value ₹ 10 each. Each equity shareholder is entitled to one vote per share held, and on liquidation entitled to receive balance of net assets remaining after settlement of all debts, creditors & preferential amounts, proportionate to their respective shareholding. No dividend is proposed.

### **Reconciliation of No. of Shares Outstanding at the end of the year:**

Particulars	30.09.22	31.03.22	31.03.21	31.03.20
Shares outstanding at the beginning of the year	30,00,000	30,00,000	30,00,000	30,00,000
Shares issued during the year	0	0	0	0
Bonus Issued during the year	75,00,000	0	0	0
Share outstanding at the end of the year	1,05,00,000	30,00,000	30,00,000	30,00,000

### **Details of Shareholding more than 5% of the aggregate shares in the company:**

Particulars	30.09.22	31.03.22	31.03.21	31.03.20
<b>Aamer Ahmed Farid</b>				
No. of Shares	29,70,000	10,00,000	10,00,000	10,00,000
% Holding	28.29%	33.33%	33.33%	33.33%
<b>Hani Ahmed Farid</b>				
No. of Shares	29,69,990	10,00,000	10,00,000	10,00,000

% Holding	28.29%	33.33%	33.33%	33.33%
<b>Ali Mohmedali Bagash</b>				
No. of Shares	29,70,000	10,00,000	10,00,000	10,00,000
% Holding	28.29%	33.33%	33.33%	33.33%

**Annexure – I.2****STATEMENT OF RESERVES AND SURPLUS AS RESTATED**

(₹ in lakhs)

Particulars	30.09.22	31.03.22	31.03.21	31.03.20
<b>Statement of Profit &amp; Loss</b>				
Opening balance	1,853.14	1,389.95	1,105.68	1,100.88
Add: Profit for the year	417.22	491.11	281.43	7.00
Restated Adjustment	0.00	2.08	2.83	(2.20)
Final Dividend for FY 2020-21 (Re. 1 per Equity Share)	(30.00)	(30.00)	0.00	0.00
Utilised for Bonus Issue	(750.00)	0.00	0.00	0.00
<b>Profit available for appropriation</b>	<b>1,490.35</b>	<b>1,853.14</b>	<b>1,389.94</b>	<b>1,105.68</b>
<b>Balance as at the end of the year</b>	<b>1,490.35</b>	<b>1,853.14</b>	<b>1,389.94</b>	<b>1,105.68</b>
<b>Securities Premium Account</b>				
Opening balance	0.00	0.00	0.00	0.00
Add: Additions during the year	0.00	0.00	0.00	0.00
Less: Utilised for Bonus Issue		0.00	0.00	0.00
<b>Balance as at the end of the year</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Reserve &amp; Surplus</b>	<b>1,490.35</b>	<b>1,853.14</b>	<b>1,389.94</b>	<b>1,105.68</b>

**Annexure – I.3****STATEMENT OF LONG-TERM BORROWINGS AS RESTATED**

(₹ in Lakhs)

Particulars	30.09.22	31.03.22	31.03.21	31.03.20
Working Capital Loan from Bank	0.00	0.00	0.00	25.08
Term Loans	1,034.28	1,104.34	1,253.20	1,700.06
<b>Total</b>	<b>1,034.28</b>	<b>1,104.34</b>	<b>1,253.20</b>	<b>1,725.14</b>

**Annexure – I.4****STATEMENT OF LONG TERM PROVISIONS AS RESTATED**

(₹ in Lakhs)

Particulars	30.09.22	31.03.22	31.03.21	31.03.20
Provision for employee benefit expenses	68.34	67.58	54.90	42.90
<b>Total</b>	<b>68.34</b>	<b>67.58</b>	<b>54.90</b>	<b>42.90</b>

**Annexure – I.5****STATEMENT OF DEFERRED TAX AS RESTATED**

(₹ in lakhs)

Particulars	30.09.22	31.03.22	31.03.21	31.03.20
Opening Deferred Tax Liability / (Asset)	161.75	158.13	150.95	135.82
<b>Deferred Tax Asset</b>				
On the Block of Fixed Assets & Gratuity	50.21	0.00	0.00	0.00
<b>Sub Total</b>	<b>50.21</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Deferred Tax Liability</b>				
On the Block of Fixed Assets & Gratuity	0.00	3.62	7.17	15.14

<b>Sub Total</b>	<b>0.00</b>	<b>3.62</b>	<b>7.17</b>	<b>15.14</b>
Net Deferred Tax Liability / (Asset)	(50.21)	3.62	7.17	15.14
<b>Closing Deferred Tax Liability / (Asset)</b>	<b>111.53</b>	<b>161.75</b>	<b>158.13</b>	<b>150.95</b>

**Annexure – I.6****STATEMENT OF SHORT TERM BORROWINGS AS RESTATED**

(₹ in lakhs)

Particulars	30.09.22	31.03.22	31.03.21	31.03.20
<b>Secured Loans</b>				
Working Capital Loans from Bank	0.00	542.98	0.00	552.43
Term loan from banks	308.82	334.57	393.85	0.00
<b>Unsecured Loans</b>				
From Directors	6.91	9.62	9.62	14.33
From Others	0.00	0.00	0.00	5.00
<b>Total</b>	<b>315.73</b>	<b>887.17</b>	<b>403.48</b>	<b>571.77</b>

**Annexure – I.7****STATEMENT OF TRADE PAYABLES AS RESTATED**

(₹ in lakhs)

Particulars	30.09.22	31.03.22	31.03.21	31.03.20
Sundry Creditors	1,791.81	1,776.66	2,027.47	1992.99
<b>Total</b>	<b>1,791.81</b>	<b>1,776.66</b>	<b>2,027.47</b>	<b>1992.99</b>

**Annexure – I.8****STATEMENT OF OTHER CURRENT LIABILITIES AS RESTATED**

(₹ in lakhs)

Particulars	30.09.22	31.03.22	31.03.21	31.03.20
Current Maturities of Short Term Loans	0.00	0.00	0.00	85.45
Statutory Liabilities	12.90	14.69	12.77	0.00
Other Liabilities	84.30	72.88	57.67	0.00
Advance from Customers	2.18	2.18	5.00	0.00
<b>Total</b>	<b>99.38</b>	<b>89.75</b>	<b>75.44</b>	<b>85.45</b>

**Annexure – I.9****STATEMENT OF SHORT TERM PROVISIONS AS RESTATED**

(₹ in lakhs)

Particulars	30.09.22	31.03.22	31.03.21	31.03.20
Provision for Taxes (Net)	82.84	102.30	36.01	152.20
Provision for employee benefit	5.07	4.83	8.85	6.98
<b>Total</b>	<b>87.91</b>	<b>107.13</b>	<b>44.86</b>	<b>159.18</b>

## STATEMENT OF FIXED ASSETS AS RESTATED

(₹ in lakhs)

6 months period ended September 30, 2022

Particulars	Gross Block			Depreciation				Net Block		
	As at April 1, 2021	Additions	Disposal/Transfer	As at Mar 31, 2022	As at April 1, 2021	For the Year	Disposal/Transfer	As at Mar 31, 2022	As at Mar 31, 2022	As at March 31, 2021
<b>Tangible Assets</b>										
Land	567.51	0.00	0.00	567.51	0.00	0.00	0.00	0.00	567.51	567.51
Factory Building	1,000.51	0.00	0.00	1,000.51	565.03	20.74	0.00	585.78	414.73	435.48
Plant & Machinery	1,075.13	18.37	0.00	1,093.50	659.90	22.94	0.00	682.84	410.65	415.23
Office Equipments	40.93	5.15	0.00	46.08	27.62	1.90	0.00	29.53	16.56	13.31
-										
Furniture & Fixture	18.92	0.99	0.00	19.91	8.76	1.12	0.00	9.88	10.03	10.16
-										
Motorcar	161.37	43.82	0.00	205.20	120.53	6.04	0.00	126.57	78.63	40.85
-										
Computers	49.90	3.22	0.00	53.12	43.85	1.92	0.00	45.77	7.35	6.05
<b>Total</b>	<b>2,914.27</b>	<b>71.55</b>	<b>0.00</b>	<b>2,985.82</b>	<b>1,425.69</b>	<b>54.67</b>	<b>0.00</b>	<b>1,480.36</b>	<b>1,505.46</b>	<b>1,488.58</b>
<b>Capital Work in Progress</b>	<b>827.02</b>	<b>114.77</b>	<b>0.00</b>	<b>941.79</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>941.80</b>	<b>827.03</b>

(₹ in lakhs)

For FY 2022

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2021	Additions	Disposal/Transfer	As at Mar 31, 2022	As at April 1, 2021	For the Year	Disposal/Transfer	As at Mar 31, 2022	As at Mar 31, 2022	As at March 31, 2021
<b>Tangible Assets</b>										
Land	558.26	9.24	0.00	567.51	0.00	0.00	0.00	0.00	567.51	558.26
Factory Building	1,000.51	0.00	0.00	1,000.51	519.32	45.71	0.00	565.03	435.48	481.19
Plant & Machinery	1,036.00	39.13	0.00	1,075.13	614.42	45.48	0.00	659.90	415.23	421.58
Office Equipments	37.55	3.39	0.00	40.93	24.30	3.33	0.00	27.62	13.31	13.25
-										
Furniture & Fixture	11.13	7.79	0.00	18.92	6.55	2.21	0.00	8.76	10.16	4.58
-										
Motorcar	134.22	27.16	0.00	161.37	111.63	8.90	0.00	120.53	40.85	22.59
-										
Computers	47.84	2.07	0.00	49.90	37.44	6.42	0.00	43.85	6.05	10.40
<b>Total</b>	<b>2,825.50</b>	<b>88.77</b>	<b>0.00</b>	<b>2,914.27</b>	<b>1,313.65</b>	<b>112.04</b>	<b>0.00</b>	<b>1,425.69</b>	<b>1,488.58</b>	<b>1,511.85</b>
<b>Capital Work in Progress</b>	<b>492.35</b>	<b>336.37</b>	<b>1.69</b>	<b>827.02</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>827.03</b>	<b>492.35</b>

(₹ in lakhs)

For FY 2021

Particulars	Gross Block				Depreciation				Net Block
	As at April 1, 2020	Additions	Disposal/Transfer	As at Mar 31, 2021	As at April 1, 2020	For the Year	Disposal/Transfer	As at Mar 31, 2021	As at Mar 31, 2021
<b><u>Tangible Assets</u></b>									
Land	558.26	0.00	0.00	558.26	0.00	0.00	0.00	0.00	558.26
Factory Building	1,000.51	0.00	0.00	1,000.51	468.81	50.51	0.00	519.32	481.19
Plant & Machinery	996.29	39.71	0.00	1,036.00	569.72	44.70	0.00	614.42	421.58
Office Equipments	33.64	3.91	0.00	37.55	21.33	2.96	0.00	24.30	13.25
-									
Furniture & Fixture	11.13	0.00	0.00	11.13	5.97	0.58	0.00	6.55	4.58
-									
Motorcar	151.66	0.00	17.44	134.22	119.33	9.16	16.86	111.63	22.59
-									
Computers	45.52	2.31	0.00	47.84	29.89	7.54	0.00	37.44	10.40
<b>Total</b>	<b>2,797.01</b>	<b>45.93</b>	<b>17.44</b>	<b>2,825.50</b>	<b>1,215.06</b>	<b>115.46</b>	<b>16.86</b>	<b>1,313.65</b>	<b>1,511.85</b>
<b>Capital Work in Progress</b>	<b>359.06</b>	<b>133.29</b>	<b>0.00</b>	<b>492.35</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>492.35</b>

(₹ in lakhs)

FY 2020

Particulars	GROSS BLOCK					DEPRICINATION					NET BLOCK	
	April 1,2019	ADJUST MENT	Addition / (Sale)	Disp osal	March 31,2020	As April 1,2019	During the Year	TO TA L	ADJUST MENT	March 31,2020	March ,2020	March 31,2019
LAND LEASE HOLD	25.55	0.00	0.00	0.00	25.55				0.00	0.00	25.55	25.55
LAND UNIT II	444.96	0.00	0.00	0.00	444.96				0.00	0.00	444.96	444.96
LAND K-7 -MAHAD	59.25	0.00	0.00	0.00	59.25				0.00	0.00	59.25	59.25
FACTORY BUILDING, UNIT I	300.06	0.00	0.00	0.00	300.06	183.05	11.12	194.17	0.00	194.17	105.89	117.01
FACTORY BUILDING, UNIT II	361.74	0.00	0.00	0.00	361.74	186.13	16.68	202.81	0.00	202.81	158.92	175.60
FACTORY BUILDING, UNIT III	32.42	0.00	0.00	0.00	32.42	14.71	1.68	16.39	0.00	16.39	16.03	17.71
FACTORY 80!LOfNG UNIT VI	306.29	0.00	0.00	0.00	306.29	29.10	26.33	55.43	0.00	55.43	250.86	277.19
PROPERTY	28.50	0.00	0.00	0.00	28.50	0.00	0.00	0.00	0.00	0.00	28.50	28.50
LABORATORY EQUIPMENTS UNIT I	8.49	0.00	0.11	0.00	8.60	4.29	0.56	4.85	0.00	4.85	3.75	4.20
LABORATORY EQUIPMENTS CPS	4.39	0.00	0.00	0.00	4.39	2.03	0.24	2.27	0.00	2.27	2.12	2.36
LABORATORY EQUIPMENTS UNIT II	24.17	0.00	0.00	0.00	24.17	15.79	0.90	16.69	0.00	16.69	7.48	8.38
MACHINERY UNIT I	258.63	0.00	7.40	0.00	266.03	140.05	12.35	152.39	0.00	152.39	113.64	118.59

MACHINERY CPS	142.64	0.00	0.00	0.00	142.64	70.79	5.15	75.94	0.00	75.94	66.70	71.85
MACHINERY UNIT II	418.93	0.00	2.23	0.00	421.16	216.83	19.37	236.21	0.00	236.21	184.96	202.10
MACHINERY UNIT III	12.14	0.00	0.00	0.00	12.14	2.74	1.08	3.82	0.00	3.82	8.32	9.40
MACHINERY UNIT VI	0.00	0.00	1.37	0.00	1.37	0.00	0.10	0.10	0.00	0.10	1.27	0.00
OFFICE EQUIPMENTS	0.32	0.00	0.13	0.00	0.45	-0.05	0.08	0.03	0.00	0.03	0.41	0.36
AIR CONDITIONER UNIT 1	4.15	0.00	0.94	0.00	5.08	0.95	1.08	2.03	0.00	2.03	3.06	3.19
ELECTRICAL EQUIPMENTS UNIT I	45.16	0.00	7.63	0.00	52.79	30.44	3.12	33.57	0.00	33.57	19.22	14.72
ELECTRICAL EQUIPMENTS CPS	6.97	0.00	0.00	0.00	6.97	4.53	0.35	4.88	0.00	4.88	2.10	2.45
ELECTRICAL EQUIPMENTS UNIT II	52.55	0.00	1.56	0.00	54.11	35.14	2.84	37.99	0.00	37.99	16.12	17.40
ELECTNCAL EQUIPMENT UNIT V	0.09	0.00	0.00	0.00	0.09	0.07	0.01	0.07	0.00	0.07	0.02	0.02
WATER COOLER UNIT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GENERATOR	1.83	0.00	0.00	0.00	1.83	0.84	0.10	0.94	0.00	0.94	0.89	0.99
MOBILE PHONES UNIT	0.14	0.00	0.00	0.00	0.14	0.14	0.00	0.14	0.00	0.14	0.00	0.00
MOBILE PHONES UNIT II	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FURNITURE & FIXTURES UNIT I	7.04	0.00	0.00	0.00	7.04	2.72	0.45	3.16	0.00	3.16	3.88	4.32
FURNITURE & FIXTURES UNIT II	2.82	0.00	0.00	0.00	2.82	1.73	0.13	1.86	0.00	1.86	0.96	1.09
FURN!TURE & FIXTURES CPS	1.27	0.00	0.00	0.00	1.27	0.90	0.05	0.95	0.00	0.95	0.32	0.36

ACTIVA 2348	0.57	0.00	0.00	0.00	0.57	0.54	0.00	0.54	0.00	0.54	0.03	0.03
ACTIVA 5479	0.00	0.00	0.72	0.00	0.72	0.00	0.16	0.16	0.00	0.16	0.56	0.00
ELECTRICAL INSTALLATION UNIT I	23.10	0.00	1.20	0.00	24.30	15.30	1.32	16.6 2	0.00	16.62	7.68	7.80
ELECTRICAL INSTALLATION UNIT II	2.65	0.00	0.00	0.00	2.65	1.50	0.17	1.67	0.00	1.67	0.97	1.15
ELECTRICAL INSTALLATION CPS	0.37	0.00	0.00	0.00	0.37	0.30	0.01	0.31	0.00	0.31	0.06	0.06
ELECTRICAL INSTALLATION UNIT III	0.65	0.00	0.00	0.00	0.65	0.50	0.02	0.53	0.00	0.53	0.13	0.15
MOTOR CAR TOYOTA FORTUNER	24.81	0.00	0.00	0.00	24.81	22.71	0.00	22.7 1	0.00	22.71	2.10	2.10
MOTOR CAR MARUTI SWIFT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COMPUTER UNIT I	15.79	0.00	3.06	0.00	18.85	9.21	3.65	12.8 7	0.00	12.87	5.99	6.58
COMPUTER SERVER UNIT I	25.49	0.00	0.00	0.00	25.49	10.14	6.12	16.2 6	0.00	16.26	9.23	15.36
COMPUTER UNIT II	1.15	0.00	0.03	0.00	1.18	0.58	0.18	0.76	0.00	0.76	0.42	0.57
WORK PROGRESSI (BUILDING )UNIT	73.02	0.00	6.18	0.00	79.19	0.00	0.00	0.00	0.00	0.00	79.19	73.02
WORK IN PROGRESS (BUILDIN)I UNIT II	31.48	0.00	4.22	0.00	35.70	0.00	0.00	0.00	0.00	0.00	35.70	31.48
WORK IN PROGRESS (BUILDING) UNIT III	1.69	0.00	0.00	0.00	1.69	0.00	0.00	0.00	0.00	0.00	1.69	1.69
WORK IN PROGRESS (BUILDING) HEAD OFFICE	15.08	0.00	0.00	0.00	15.08	0.00	0.00	0.00	0.00	0.00	15.08	15.08
WORK IN PROGRESS (BUIIDING) UNIT IV	21.28	0.00	0.00	0.00	21.28	0.00	0.00	0.00	0.00	0.00	21.28	21.28

WORK IN PROGRESS (BUILDING) UNIT VI	83.00	0.00	123.12	0.00	206.12	0.00	0.00	0.00	0.00	0.00	206.12	83.00
MOTOR CAR (PAJERO SPORT) U-1	31.80	0.00	0.00	0.00	31.80	28.00	2.10	30.1 0	0.00	30.10	1.71	3.81
MOTOR CAR (ETIOS TOYOTA) U-1	7.03	0.00	0.00	0.00	7.03	7.03	0.00	7.03	0.00	7.03	0.00	0.00
MOTOR CAR (Renault) U-1	10.41	0.00	0.00	0.00	10.41	9.28	0.32	9.60	0.00	9.60	0.81	1.13
MOTOR CAR (Volk) U-I	11.92	0.00	0.00	0.00	11.92	11.92	0.00	11.9 2	0.00	11.92	0.00	0.00
MOTOR CAR (BMW)	44.23	0.00	0.00	0.00	44.23	29.64	4.86	34.5 0	0.00	34.50	9.73	14.59
MOTOR CAR (To oto Innova)	0.00	0.00	20.15	0.00	20.15	0.00	2.76	2.76	0.00	2.76	17.39	0.00
TOTAL	2,976.0 3	0.00	180.04	0.00	3,156.07	1,089.60	125.46	1,21 5.06	0.00	1,215.06	1,941. 01	1,886.42

## Annexure – I.11

## STATEMENT OF OTHER NON-CURRENT INVESTMENTS AS RESTATED

(₹ in lakhs)

Particulars	30.09.22	31.03.22	31.03.21	31.03.20
Investment (Unquoted at Cost)	10.07	10.07	10.07	10.07
Quoted at cost	28.56	28.56	0.00	0.00
<b>Total</b>	<b>38.63</b>	<b>38.63</b>	<b>10.07</b>	<b>10.07</b>

## Annexure – I.12

## STATEMENT OF OTHER LONG TERM LOANS AND ADVANCES AS RESTATED

(₹ in lakhs)

Particulars	30.09.22	31.03.22	31.03.21	31.03.20
Deposits	81.87	76.87	76.87	76.06
Advance for Purchase of Property	0.00	0.00	20.00	20.00
<b>Total</b>	<b>81.87</b>	<b>76.87</b>	<b>96.87</b>	<b>96.06</b>

## Annexure – I.13

## STATEMENT OF INVENTORIES AS RESTATED

(₹ in lakhs)

Particulars	30.09.22	31.03.22	31.03.21	31.03.20
Raw Materials	714.86	537.87	346.96	397.75
Finished Goods	415.36	384.82	255.99	198.35
Work in Progress	945.65	926.05	1,129.98	1,552.76
Packaging Material	39.40	32.74	29.69	17.92
<b>Total</b>	<b>2,115.27</b>	<b>1,881.49</b>	<b>1,762.61</b>	<b>2,166.79</b>

## Annexure – I.14

## STATEMENT OF TRADE RECEIVABLES AS RESTATED

(₹ in lakhs)

Particulars	30.09.22	31.03.22	31.03.21	31.03.20
Receivables for the period exceeding 6 months	0.00	0.00	54.18	50.65
Other Debtors	1,039.02	1,023.27	922.98	959.49
<b>Total</b>	<b>1,039.02</b>	<b>1,023.27</b>	<b>977.16</b>	<b>1,010.14</b>

## Annexure – I.15

## STATEMENT OF CASH AND CASH EQUIVALENTS AS RESTATED

(₹ in lakhs)

Particulars	30.09.22	31.03.22	31.03.21	31.03.20
Balances with banks in current account	209.54	122.47	100.64	200.31
Cash on hand	30.92	69.91	62.40	69.76
<b>Total</b>	<b>240.46</b>	<b>192.38</b>	<b>163.04</b>	<b>270.07</b>

## Annexure – I.16

## STATEMENT OF SHORT TERM LOANS &amp; ADVANCES AS RESTATED

(₹ in lakhs)

Particulars	30.09.22	31.03.22	31.03.21	31.03.20
Loan to Staff	4.44	4.56	6.88	6.82
Loan to related parties	0.31	659.62	463.05	354.27
Income Tax	0.00	0.00	0.00	145.11
Prepaid expenses	0.00	0.00	0.00	2.89
Statutory Advances	0.00	0.00	0.00	137.19
Advances	32.53	91.46	78.73	0.00
<b>Total</b>	<b>37.29</b>	<b>755.64</b>	<b>548.66</b>	<b>646.28</b>

## Annexure – I.17

## STATEMENT OF OTHER CURRENT ASSETS AS RESTATED

(₹ in lakhs)

Particulars	30.09.22	31.03.22	31.03.21	31.03.20
<b>Miscellaneous Expenditure to the extent not written off</b>				
Prepaid expenses	6.80	13.45	6.83	0.00
Statutory Expenses	48.73	50.12	72.48	0.00
<b>Total</b>	<b>55.53</b>	<b>63.57</b>	<b>79.32</b>	<b>0.00</b>

## Annexure – II.1

## STATEMENT OF REVENUE FROM OPERATIONS AS RESTATED

(₹ in lakhs)

Particulars	For the Period / Financial Year ended			
	30.09.22	31.03.22	31.03.21	31.03.20
Sale of Products	4,859.19	8,798.57	7,791.63	7,317.26
<b>Total</b>	<b>4,859.19</b>	<b>8,798.57</b>	<b>7,791.63</b>	<b>7,317.26</b>

## Annexure – II.2

## STATEMENT OF OTHER INCOME AS RESTATED

(₹ in lakhs)

Particulars	For the Period / Financial Year ended			
	30.09.22	31.03.22	31.03.21	31.03.20
Discount received	1.74	0.00	0.00	0.24
Exports Duty Drawback	3.14	11.87	1.77	9.28
Forex Fluctuations	4.61	15.01	6.79	31.66
Interest Income	0.01	68.16	13.69	13.19
Rent received	0.00	0.00	70.00	0.00
Profit on Sale of car	0.00	0.00	1.92	0.00
Credit MEIS	5.75	0.00	0.00	0.00
Other Miscellaneous Income	0.02	0.00	0.00	0.00
Dividend Received	0.35	0.01	0.00	0.51
<b>Total</b>	<b>15.62</b>	<b>95.04</b>	<b>94.17</b>	<b>54.87</b>

## Annexure – II.3

## STATEMENT OF COST OF MATERIAL CONSUMED AS RESTATED

(₹ in lakhs)

Particulars	For the Period / Financial Year ended			
	30.09.22	31.03.22	31.03.21	31.03.20
Raw Materials Consumed	2,751.56	5,268.04	4,293.11	4,528.94
Packaging Material Consumed	154.59	261.34	190.19	236.68
<b>Total</b>	<b>2,906.15</b>	<b>5,529.38</b>	<b>4,483.30</b>	<b>4,765.63</b>

## Annexure – II.4

## STATEMENT OF CHANGES IN INVENTORIES AS RESTATED

(₹ in lakhs)

Particulars	For the Period / Financial Year ended			
	30.09.22	31.03.22	31.03.21	31.03.20
Inventories at the end of the year				
Work in Progress	945.65	926.05	1,129.98	1,552.76
Finished goods	415.36	384.82	255.99	198.35
	<b>1,361.01</b>	<b>1,310.87</b>	<b>1,385.97</b>	<b>1,751.12</b>

Inventories at the beginning of the year				
Work in Progress	926.05	1,129.98	1,552.77	1,429.64
Finished goods	384.82	255.99	198.35	150.17
	<b>1,310.87</b>	<b>1,385.97</b>	<b>1,751.12</b>	<b>1,579.81</b>
<b>Net (Increase) / Decrease</b>	<b>-50.14</b>	<b>75.09</b>	<b>365.15</b>	<b>-171.31</b>

## Annexure – II.5

## STATEMENT OF EMPLOYEE BENEFIT EXPENSES AS RESTATED

(₹ in lakhs)

Particulars	For the Period / Financial Year ended			
	30.09.22	31.03.22	31.03.21	31.03.20
Salary and Wages	213.34	425.47	349.07	373.49
Directors Remuneration	63.61	74.50	48.00	48.00
Contribution to provident and other funds	12.55	24.10	20.48	21.29
Gratuity	1.01	12.10	4.68	15.45
<b>Total</b>	<b>290.51</b>	<b>536.17</b>	<b>422.23</b>	<b>458.24</b>

## Annexure – II.6

## STATEMENT OF OTHER EXPENSES AS RESTATED

(₹ in lakhs)

Particulars	For the Period / Financial Year ended			
	30.09.22	31.03.22	31.03.21	31.03.20
Factory Expenses	169.57	358.81	305.63	246.70
Advertisement	0.10	3.00	1.81	0.76
Annual Maintenance Charges	9.67	5.67	5.12	6.70
Auditors Remuneration	1.00	2.00	2.00	2.00
Bank Charges	15.27	13.18	12.01	53.99
Business Promotion Expenses	14.11	105.40	60.17	108.93
Capital Advances write off	1.54	-18.11	14.29	0.00
Clearing And Forwarding	6.11	9.76	9.24	6.48
Commission Paid	103.65	139.17	117.23	126.13
Computer Expenses	5.05	8.52	3.13	11.89
Conveyance Expenses	24.99	42.82	29.95	31.29
Courier Charges	5.92	8.22	3.92	6.00
Discount	416.91	569.16	963.91	851.51
Donation	50.42	37.27	38.97	25.38
Electricity Charges	1.13	2.07	1.41	3.70
Lodging & Boarding	0.11			
Exports Charges	2.31	7.30	3.68	5.25
Foreign Travel Expenses	5.95	6.11	4.24	26.83
Insurance	12.77	16.01	14.58	13.91
Membership & Subscription	0.52	1.19	0.36	0.54
Other	0.00	50.78	-	1.67
Office Expenses	18.14	38.39	18.27	25.02
Printing & Stationery	10.94	17.11	8.26	21.60
Travelling Expenses	8.70			
Legal & Professional Fees	53.99	98.20	73.05	95.59
Rent	16.97	18.09	21.37	19.68
Repairs & Maintenance	8.01	11.32	3.62	1.89
ROC	0.65			
Security Charges	5.88	13.48	12.89	11.75

Staff welfare Expenses	17.76	23.87	10.46	20.87
Telephone Expenses	8.44	13.41	7.53	11.30
Transportation	62.37	127.56	105.70	92.29
Vehicle Expenditure	11.39	20.04	16.75	19.77
<b>Total</b>	<b>1,070.33</b>	<b>1,749.81</b>	<b>1,869.53</b>	<b>1,849.40</b>

## Annexure – II.7

## STATEMENT OF FINANCIAL CHARGES AS RESTATED

(₹ in lakhs)

Particulars	For the Period / Financial Year ended	30.09.22	31.03.22	31.03.21	31.03.20
Bank Interest on Working capital		17.95	69.54	63.77	77.34
Interest on Term Loans		64.03	179.13	209.82	195.99
Bill Discounting Charges		16.30	19.02	16.78	0.00
<b>Total</b>		<b>98.28</b>	<b>267.68</b>	<b>290.37</b>	<b>273.33</b>

## Annexure – V

## STATEMENT OF RELATED PARTY TRANSACTIONS AS RESTATED

The company has entered into related party transactions with below mentioned parties and transactions are identified as per accounting standard 18 issued by Institute of Chartered Accountants of India for the periods covered under audit:

As per Accounting Standard 18 on related party disclosure issue by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

Related party relationship :	Name
Directors during the year	1) Hani Farid 2) Aamer Farid
Enterprises on which key management personnel or their relatives has significant influence	1) M.A Bagash 2) Ali Bagash 3) Jazira Real Estate Pvt. Ltd 4) Jazira Plantation Pvt. Ltd 5) Prime Foods & Confectionery LLP

(Rs. Lakhs)

Name	On account	September 30, 2022	2021-22	2020-21	2019-20
M/s. M.A. Bagash	Rent Paid	6.60	9.78	11.82	6.81
Mr. Hani Farid	Director Remuneration	36.00	37.25	24.00	24.00
Mr. Aamer Farid	Director Remuneration	36.00	37.25	24.00	24.00
Prime Foods & Confectionery LLP	Business Promotion	-	2.08	0.85	0.00
Mr. Hani Farid	Dividend Paid	10.00	10.00	0.00	0.00
Mr. Aamer Farid	Dividend Paid	10.00	10.00	0.00	0.00
Mr. Ali Bagash	Dividend Paid	10.00	10.00	0.00	0.00
Prime Foods & Confectionery LLP	Interest Income	0.00	62.86	13.36	13.19
Prime Foods & Confectionery LLP	Loan Given (excluding interest credited)	0.00	140.30	186.33	253.46
Prime Foods & Confectionery LLP	Loan advanced repayment	710.00	0.30	1.12	0.17
Mr. Hani Farid	Loan Received	-	1.70	1.60	0.00

Mr. Hani Farid	Loan Repaid	2.71	1.70	6.03	0.00
Mr. Aamer Farid	Loan Received	2.71	50.00	4.10	0.00
Mr. Aamer Farid	Loan Repaid	2.71	50.00	4.38	0.00
M/s. M.A. Bagash	Loan advanced repayment	0.97	0.00	0.00	0.00

## Annexure – VI

## STATEMENT OF ACCOUNTING RATIOS AS RESTATED

(₹ in lakhs)

Particulars	30.09.22	31.03.22	31.03.21	31.03.20
EBITDA (₹ in Lacs)	657.95	1,000.45	745.59	470.18
Net Profit as restated (₹ in Lacs)	417.22	491.11	281.43	7.00
Net Worth (₹ in Lacs)	2,484.83	2,089.57	1,610.63	1,405.68
Return on Net worth (%)	16.79%	23.50%	17.47%	0.50%
Equity Share at the end of year (in Nos.) (Face Value ₹ 10)	1,05,00,000	30,00,000	30,00,000	30,00,000
Weighted No. of Equity Shares	1,05,00,000	30,00,000	30,00,000	30,00,000
Weighted No. of Equity Shares (Considering bonus in all previous years in the ratio of 5:2)	1,05,00,000	1,05,00,000	1,05,00,000	1,05,00,000
Basic and Diluted Earnings per Equity Share	3.97	16.37	9.38	0.23
Basic and Diluted Earnings per Equity Share (Considering bonus in all previous years in the ratio of 5:2)	3.97	4.68	2.68	0.07
Net Asset Value/Book Value per Equity share (Based on no of share at the end of year)	23.67	69.65	53.69	46.86
Net Asset Value/Book Value per Equity share (Considering bonus in all previous years in the ratio of 5:2)	23.67	19.90	15.34	13.39

\*Includes bonus shares issued on May 12, 2022, in the ratio of 5:2.

Note:- Earnings per share (Rs.) = Profit available to equity shareholders / weighted No. of shares outstanding at the end of the year.

Return on Net worth (%) = Restated Profit after taxation / Net worth x 100

Net asset value / Book value per share (Rs.) = net worth / No. of equity shares

The net worth is considered post elimination of revaluation reserves. The Company does not have any extra- ordinary items.

## Annexure – VII

## STATEMENT OF CAPITALIZATION AS RESTATED

(₹ in lakhs)

Particulars	Pre Issue	Post Issue*
	As at 30.09.2022	
<b>Debt :</b>		
Short term debt	315.73	315.73
Long term debt	1,034.28	1,034.28
<b>Total Debt</b>	<b>1,350.01</b>	<b>1,350.01</b>

<b>Shareholders Funds</b>		
Equity Share Capital	1,050.00	1,454.00
Reserves and Surplus	1,490.35	4,237.55
Less: Revaluation Reserves	0.00	0.00
Less: Misc. Expenditure	55.53	55.53
<b>Total Shareholders' Funds</b>	<b>2,484.83</b>	<b>5,636.03</b>
Long Term Debt/ Shareholders' Funds	0.42	0.18
Total Debt / Shareholders Fund	0.54	0.24

\*Based on the assumption that Fresh Issue of 40,40,000 Equity Shares at the issue price of ₹78 will be fully subscribed.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Prospectus. You should also read the section entitled "Risk Factors" on page 16 which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources.

Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the ICDR Regulations and restated as described in the report of our auditor dated November 15, 2022 which is included in this 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.

### Significant Developments Subsequent to the Last Financial Period

In the opinion of the Board of Directors of our Company, other than as mentioned below, since the date of the last financial statements disclosed in this Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the business or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

#### *Allotment of Equity Shares:*

Following Equity Shares were issued by our Company after the date of last financial statements i.e. March 31, 2022:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration
12-05-2022	75,00,000	10	Nil	Bonus Issue in the ratio of 5:2	Nil

#### *COVID 19 Pandemic:*

An outbreak of COVID-19 was recognised as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India, have taken preventive or protective actions such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. Due to a government mandated lockdown in India, we had to temporarily shut down our operations from mid-March 2020 to June 2020. We saw a decline in our business during first half of Fiscal 2021. We have resumed operations in July 2020. If we do not respond appropriately to the pandemic, or if customers do not perceive our response to be adequate, we could suffer damage to our reputation and our brand, which could adversely affect our business in the future.

We cannot predict the degree to, or the time period over, which our business will be affected by the COVID-19 outbreak. For example, this pandemic could necessitate further lockdowns, resulting in significant additional effects on our revenue, financial condition, and results of operations. There are numerous uncertainties associated with the COVID-19 outbreak, including the number of individuals who will become infected, availability of a vaccine or a cure that mitigates the effect of the virus, the extent of the protective and preventative measures imposed by governments and whether the virus' impact will be seasonal, among others. Consequently, there may be adverse effects of this pandemic on our short-term business operations and our financial results may be impacted.

In view of the fluidity of the situation and lack of visibility on the timeline for containment of the global pandemic, the recovery trajectory remains uncertain. It is difficult for us to predict the impact that COVID-19 will have on us, our customers or suppliers in the future. We continue to closely monitor the effect that COVID-19 may have on our business and results of operations. To the extent, the COVID-19 pandemic adversely affects us, it may also significantly increase the effect of the aforementioned factors affecting our results of operations.

#### **Key factors affecting the results of operation:**

Our Company's future results of operations could be affected potentially by the following factors:

## **Industry specific policies**

We operate in highly regulated industry. Any changes in any regulation relating to our industry can affect our operations. Our operations are highly impacted by any changes in Chemical policies in India. We, as on date, have the requisite permission to conduct our business. We need to apply and get the requisite permission before we can launch a new product. Thus, our ability to introduce is dependent on the getting the requisite permission in time.

### ***Economic conditions in the markets in which we operate***

Our results of operations are dependent on the overall economic conditions in the markets in which we operate, including India. Any change in macro-economic conditions in these markets, including changes in interest rates, government policies or taxation and political, economic or other developments could affect our business and results of operations. The iron and steel market in India may perform differently and be subject to market and regulatory developments that are dissimilar to the markets in other parts of the world. While stronger macro-economic conditions tend to result into higher demand for our products, weaker macro-economic conditions tend to result into lower demand. Change in demand in the market segments we currently supply or improvement/deterioration in the market or a change in regulations, customs, taxes or other trade barriers or restrictions could affect our operations and financial condition.

### ***Regulatory developments***

Our Company is regulated by the Companies Act and some of its activities are subject to supervision and regulation by statutory and regulatory authorities. It is therefore subject to changes in Indian law, as well as to changes in regulation and government policies and accounting principles.

### ***Reliance on major customers***

Our Customer portfolio is concentrated with our top 5 customers representing 85.80%, 79.90% and 81.53%, respectively, of our total revenues from operations for 6 months period ended September 30, 2022, Fiscal 2022 and 2021, respectively. Any reduction in orders from our top 5 customers would adversely affect our income. The demand from our major customers, in particular our top 5 customers, determines our revenue levels and results of operations, and our sales are directly affected by their production and inventory levels. Over the years, we have developed strong relationships with our customers through whom we have been able to expand our product offerings and also our geographic reach. Our business depends on the continuity of business with these customers.

### ***Our ability to source the critical raw material***

Raw materials account for our major manufacturing cost. Our profitability is dependent on prices at which we procure these Technical products. Our sales are also dependent on our ability to procure these raw materials at the shortest possible notice.

### ***Fluctuating foreign exchange rates***

We are subject to currency exchange rate exposure as we transact a portion of our business in various foreign currencies, primarily, the US Dollars. Foreign exchange fluctuation affects both our revenues and expenditure. To this extent, the revenues and expenditures will be higher or lower depending on the prevalent foreign exchange rates. A depreciating Rupee against the foreign currencies may have an adverse effect on our expenses and an appreciating Rupee may adversely affect our external sales earnings. Our management typically monitors our foreign currency exposure periodically, however, there can be no assurance that the measures adopted by our management would always be adequate to cover us from any losses arising out of fluctuations in foreign exchange rates.

### ***Capacity utilization and operating efficiencies***

Our aggregate installed capacity and capacity utilisation is as under:

Details of manufacturing unit	Particulars	Fiscal		
		2022	2021	2020
Unit I	Installed Capacity (in MTPA)	3500	3500	3500
	Utilized Capacity (in MTPA)	2200	1750	1700
	Utilized Capacity (%)	62.86%	50.00%	48.57%
Unit II -Master Batches	Installed Capacity (in MTPA)	2000	2000	2000

	Utilized Capacity (in MTPA)	480	490	350
	Utilized Capacity (%)	24.00%	24.50%	17.50%
Unit II – Dry Dispersions	Installed Capacity (in MTPA)	10000	9000	8000
	Utilized Capacity (in MTPA)	8350	7107	6841
	Utilized Capacity (%)	83.50%	78.97%	85.51%

Higher capacity utilization results in greater production volumes and higher sales, and allows us to spread our fixed costs over a higher quantity of products sold, thereby increasing our profit margins. Our capacity utilization is affected by the product requirements of, and procurement practice followed by, our customers.

## RESULTS OF OPERATIONS

### Description of the major components of revenue and expense items: -

#### Revenue

##### Revenue from Operations

Our Company's revenue is primarily comprised of the sale of pigments, pigments paste, pigments power and master batches. Revenue from sale of products comprised sale of manufactured goods. It consists of both domestic sales and export sales.

##### Other Income

Other Income comprised interest income, export duty drawback, foreign exchange fluctuation gain (net) and discounts received amongst others.

#### Expenses

Expenses comprised of Cost of materials consumed, Changes in inventories of finished goods and work in-progress, Employee benefits expense, Finance costs, Depreciation and amortization expenses and Other expenses. Our largest amount of expenditure is on Cost of Materials consumed, factory expenses, commission, discount and transportation expenses.

##### Cost of Material Consumed

Cost of Material Consumed include value of raw material consumed and packing material consumed during the year / period.

##### Changes in Inventories of Finished Goods and Work-in-Progress

Changes in inventories of finished goods and work-in-progress comprise of costs attributable to an increase or decrease in inventory levels during the relevant financial year/period in finished goods and work in progress.

##### Employee Benefits Expense

Employee Benefits Expense comprised of salary and wages, Director's remuneration, contribution to provident funds and other funds and gratuity expenses.

##### Finance Cost

Finance Cost comprised interest on working capital facilities, term loans, Vehicle Loans, LC Commission, Interest on unsecured loans and bank charges and other finance cost.

##### Depreciation and Amortization Expenses

Depreciation and Amortization Expenses comprise depreciation on property, plant and equipment.

##### Other Expenses

Other expenses primarily comprise of factory expenses, bank charges, business promotion expenses, conveyance, discount given, donations, legal & professional fees and transportation expenses amongst others.

#### Tax Expense

Our tax expense or credit for the period represents the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

#### **DISCUSSION ON RESULTS OF OPERATIONS:**

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for the 6 months period ended September 30, 2022 and financial years ended March 31, 2022, 2021 and 2020.

#### **OUR SIGNIFICANT ACCOUNTING POLICIES**

For Significant accounting policies please refer *Significant Accounting Policies, “Annexure IV” beginning under “Auditors’ Report and Financial Information of our Company” on page 101.*

#### **RESULTS OF OUR OPERATION**

##### **SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

The following table sets forth selected financial data from the Restated Financial Statements, the components of which are also expressed as a percentage of total income for the periods indicated:

Particulars	30.09.22 (₹ Lakhs)	% of Total Income
<b>Income</b>		
Revenue from Operations	4,859.19	99.68%
Other Income	15.61	0.32%
<b>Total Revenue</b>	<b>4,874.80</b>	<b>100.00%</b>
<b>Expenditure</b>		
Cost of Materials Consumed	2,906.15	59.62%
Changes in Inventory	-50.14	-1.03%
Employee Benefit Expenses	290.51	5.96%
Other Expenses	1,070.33	21.96%
<b>Total (B)</b>	<b>4,216.85</b>	<b>86.50%</b>
<b>Profit Before Interest, Depreciation and Tax</b>	<b>657.95</b>	<b>13.50%</b>
Depreciation and Amortisation Expenses	54.67	1.12%
<b>Profit Before Interest and Tax</b>	<b>603.28</b>	<b>12.38%</b>
Financial Charges	98.28	2.02%
<b>Profit before Taxation</b>	<b>505.00</b>	<b>10.36%</b>
Provision for Current Tax	138.00	2.83%
Provision for Deferred Tax	-50.21	-1.03%
<b>Total Taxes</b>	<b>87.79</b>	<b>1.80%</b>
<b>Profit After Tax but Before Extra ordinary Items</b>	<b>417.22</b>	<b>8.56%</b>
Extraordinary Items	0.00	0.00%
<b>Net Profit after adjustments</b>	<b>417.22</b>	<b>8.56%</b>

## **Revenues**

**Total Income.** Our total income was ₹4874.80 lakhs for the 6 months ended September 30, 2022, which comprised of revenue from operations of ₹4859.19 lakhs and other income of ₹15.61 lakhs.

*Revenue from Operations.* Our revenue from operations was ₹4859.19 lakhs for the six months ended September 30, 2022, which comprised of revenue from sale of manufacturing products net off taxes and duties.

*Other Income.* Our other income was ₹15.61 lakhs for the 6 months ended September 30, 2022, which primarily included exports duty drawback, forex fluctuations, credit MEIS amongst others.

## **Cost of materials consumed**

Cost of materials consumed was ₹2906.15 lakhs for the 6 months ended September 30, 2022, which primarily included consumption of raw material of ₹2751.56 lakhs and consumption of packaging material of ₹154.59 lakhs. Cost of materials consumed was 59.62% of our total income.

## **Changes in Inventories**

Changes in inventories of finished goods and work-in-progress was ₹ (50.14) lakhs for the 6 months ended September 30, 2022.

## **Employee Benefits Expenses**

Employee benefits expenses was ₹290.51 lakhs for the 6 months ended September 30, 2022, which primarily included salaries and wages of ₹214.34 lakhs. It also included contribution to provident and other funds and gratuity provision. Employee benefits expenses was 5.96% of our total income.

## **Other Expenses**

Other expenses was ₹1070.33 lakhs for the 6 months ended September 30, 2022, which primarily included discount given of ₹ 416.91 lakhs, commission paid of ₹103.65 lakhs and factory expenses of ₹ 169.57 lakhs. Other expenses also include bank charges, conveyance expenses, donation, office expenses, Legal and professional charges, rent expenses, staff welfare, and transportation amongst others. Other expenses were 21.96% of our total income.

## **EBIDTA**

EBIDTA for the 6 months ended September 30, 2022, was ₹657.95 lakhs. The EBIDTA margin was 13.50%.

## **Finance Costs**

Our finance costs were ₹98.28 lakhs for the 6 months ended September 30, 2022, which primarily included interest expense on bank term loans, working capital loans and bill discounting charges.

## **Depreciation and Amortization Expense**

Our depreciation and amortization expenses was ₹54.67 lakhs for the 6 months ended September 30, 2022, which was 1.12% of our total income.

## **Total Tax Expense**

Our total tax expense was ₹87.79 lakhs for the 6 months ended September 30, 2022, which was primarily on account of current income tax expense of ₹138.00 lakhs and deferred tax expense of ₹ (50.21) lakhs.

## **Profit after Tax**

As a result of the foregoing, our profit for the 6 months ended September 30, 2022 was ₹417.22 lakhs and Net Profit Margin stood at 8.56%.

**Comparison of Financial Years ended March 31, 2022, 2021 and 2020**

The following table sets forth selected financial data from the Restated Financial Statements, the components of which are also expressed as a percentage of total income for the periods indicated:

(₹ lakhs)

Particulars	31.03.22	31.03.21	31.03.20
<b>Income</b>			
<b>Revenue from Operations</b>	<b>8,798.57</b>	<b>7,791.63</b>	<b>7,317.26</b>
Increase/Decrease (%)	12.92%	6.48%	
Other Income	95.04	94.17	54.87
<b>Total Income</b>	<b>8,893.61</b>	<b>7,885.80</b>	<b>7,372.13</b>
Increase/Decrease (%)	12.78%	6.97%	
<b>Expenditure</b>			
<b>Cost of Materials Consumed</b>	<b>5,529.38</b>	<b>4,483.30</b>	<b>4,765.63</b>
Increase/Decrease (%)	23.33%	-5.92%	
% to Total Income	62.17%	56.85%	64.64%
<b>Changes in Inventory</b>	<b>75.09</b>	<b>365.15</b>	<b>-171.31</b>
Increase/Decrease (%)	-79.43%	-313.15%	
% to Total Income	0.84%	4.63%	-2.32%
<b>Employee Benefit Expenses</b>	<b>538.88</b>	<b>422.24</b>	<b>458.23</b>
Increase/Decrease (%)	27.62%	-7.86%	
% to Total Income	6.06%	5.35%	6.22%
<b>Other Expenses</b>	<b>1,749.81</b>	<b>1,869.53</b>	<b>1,849.40</b>
Increase/Decrease (%)	-6.40%	1.09%	
% to Total Income	19.67%	23.71%	25.09%
<b>Total Expenditure</b>	<b>7,893.16</b>	<b>7,140.22</b>	<b>6,901.95</b>
Increase/Decrease (%)	10.55%	3.45%	
% to Total Income	88.75%	90.55%	93.62%
<b>Profit Before Interest, Depreciation and Tax</b>	<b>1,000.45</b>	<b>745.59</b>	<b>470.18</b>
Increase/Decrease (%)	34.18%	58.57%	
% to Total Income	11.25%	9.45%	6.38%
<b>Depreciation and Amortisation Expenses</b>	<b>112.04</b>	<b>115.46</b>	<b>167.90</b>
Increase/Decrease (%)	-2.96%	-31.24%	
% to Total Income	1.26%	1.46%	2.28%

<b>Profit Before Interest and Tax</b>	<b>888.41</b>	<b>630.13</b>	<b>302.28</b>
Increase/Decrease (%)	40.99%	108.46%	
% to Total Income	9.99%	7.99%	4.10%
<b>Financial Charges</b>	<b>267.68</b>	<b>290.37</b>	<b>273.33</b>
Increase/Decrease (%)	-7.81%	6.23%	
% to Total Income	3.01%	3.68%	3.71%
<b>Profit before Taxation</b>	<b>620.73</b>	<b>339.76</b>	<b>28.95</b>
Provision for Current Tax	126.00	51.15	6.82
Provision for Deferred Tax	3.62	7.17	15.14
<b>Total Taxes</b>	<b>129.62</b>	<b>58.32</b>	<b>21.96</b>
<b>Net Profit Transferred to Balance Sheet</b>	<b>491.11</b>	<b>281.43</b>	<b>7.00</b>
Increase/Decrease (%)	74.50%	3921.18%	
% to Total Income	5.52%	3.57%	0.09%

## FISCAL 2022 COMPARED TO FISCAL 2021

### Revenue

Total income increased by 12.78% to ₹ 8893.61 lakhs for Fiscal 2022 from ₹7885.80 lakhs for Fiscal 2021, primarily due to an increase in revenue from operations.

#### Revenue from Operations

Revenue from operations increased by 12.92% to ₹ 8798.57 lakhs for Fiscal 2022 from ₹7791.63 lakhs for Fiscal 2021 primarily due to increase in domestic sales.

#### Other Income

Other income increased by 0.93% to ₹ 95.04 lakhs for Fiscal 2022 from ₹ 94.17 lakhs for Fiscal 2021. The increase was primarily due to increase in interest income.

### Expenses

#### Cost of materials consumed

Cost of materials consumed increased by 23.33% to ₹ 5529.38 lakhs for Fiscal 2022 from ₹ 4483.30 lakhs for Fiscal 2021. Such an increase was primarily a result of expenses incurred to purchase higher volumes of raw materials due to increase in volume of sales.

#### Changes in Inventories of Finished Goods and Work-in-Progress

During fiscal 2022 the change in inventory was ₹ 75.09 lakhs and Fiscal 2021 the change in inventory was ₹365.15 lakhs, primarily attributable to the decrease in inventory of finished goods.

#### Employee Benefits Expense

Employee benefits expense increased by 27.62% to ₹ 538.88 lakhs for Fiscal 2022 from ₹ 422.24 lakhs for Fiscal 2021. The increase in employee benefits expense primarily reflected an increase in salaries & wages and Director's remuneration.

#### Other Expenses

Other expenses decreased by 6.40% to ₹1749.80 lakhs for Fiscal 2022 from ₹1869.53 lakhs for Fiscal 2021, primarily as a result of decrease in discount given to customers to ₹569.16 lakhs in Fiscal 2022 from ₹963.91 lakhs during Fiscal 2021.

#### Finance Costs

Finance costs decreased by 7.81% to ₹ 267.68 lakhs for Fiscal 2022 from ₹ 290.37 lakhs for Fiscal 2021, primarily reflecting decrease in interest on term loans. Interest on Term loans decreased to ₹ 179.13 lakhs for Fiscal 2022 from ₹ 209.82 lakhs for Fiscal 2021.

#### Depreciation and Amortization Expenses

Depreciation and amortization expense decreased by 2.96% to ₹ 112.04 lakhs for Fiscal 2022 from ₹115.46 lakhs for Fiscal 2021. Depreciation and amortization expenses were 1.26% of total income during Fiscal 2022 as against 1.46% during Fiscal 2021.

#### Income tax expense

Total income tax expense increased to ₹129.62 lakhs for Fiscal 2022 from ₹58.32 lakhs for Fiscal 2021, primarily as a result of an increase in profit before tax.

#### Profit for the year after tax

As a result of the foregoing, our net profit for the year increased by 74.11% to ₹491.11 lakhs for the financial year 2022 from ₹281.43 lakhs for the financial year 2021.

### **FISCAL 2021 COMPARED TO FISCAL 2020**

#### **Revenue**

Total income increased by 6.97% to ₹ 7885.80 lakhs for Fiscal 2021 from ₹7372.13 lakhs for Fiscal 2020, primarily due to an increase in revenue from operations.

#### Revenue from Operations

Revenue from operations increased by 6.48% to ₹ 7791.63 lakhs for Fiscal 2021 from ₹7317.26 lakhs for Fiscal 2020 primarily due to an increase in domestic sales.

#### Other Income

Other income increased by 71.62% to ₹ 94.17 lakhs for Fiscal 2021 from ₹ 54.87 lakhs for Fiscal 2020.

#### **Expenses**

#### Cost of materials consumed

Cost of materials consumed decreased by 5.92% to ₹ 4483.30 lakhs for Fiscal 2021 from ₹ 4765.63 lakhs for Fiscal 2020. Such a decrease was primarily a result of a decrease in expenses incurred to purchase raw materials and packaging materials due to increase in volume of sales.

#### Changes in Inventories of Finished Goods and Work-in-Progress

During fiscal 2021 the change in inventory was ₹ 365.15 lakhs and in Fiscal 2020 the change in inventory was ₹(171.31) lakhs.

#### Employee Benefits Expense

Employee benefits expense decreased by 7.86% to ₹ 422.24 lakhs for Fiscal 2021 from ₹ 458.23 lakhs for Fiscal 2020. The decrease in employee benefits expense primarily reflected a decrease in salaries & wages.

### Other Expenses

Other expenses increased by 1.09% to ₹1869.53 lakhs for Fiscal 2021 from ₹1849.40 lakhs for Fiscal 2020, primarily as a result of increase in discount given to customers and factory expenses amongst others.

### Finance Costs

Finance costs increased by 6.23% to ₹ 290.37 lakhs for Fiscal 2021 from ₹ 273.33 lakhs for Fiscal 2020, primarily reflecting increase in interest on term loans and bill discounting charges.

### Depreciation and Amortization Expenses

Depreciation and amortization expense decreased by 31.24% to ₹ 115.46 lakhs for Fiscal 2021 from ₹167.90 lakhs for Fiscal 2020. Depreciation and amortization expenses were 1.46% of total income during Fiscal 2021 as against 2.28% during Fiscal 2020.

### Income tax expense

Total income tax expense increased to ₹58.32 lakhs for Fiscal 2021 from ₹21.96 lakhs for Fiscal 2020, primarily as a result of an increase in profit before tax.

### Profit for the year after tax

As a result of the foregoing, our net profit for the year increased to ₹281.43 lakhs for the financial year 2021 from ₹7 lakhs for the financial year 2020.

### **Cash Flows**

The following table sets forth certain information concerning our cash flows for the periods indicated:

(₹ in lakhs)

Particulars	September 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Net cash flow from operating activities	992.75	251.04	960.34	405.42
Net cash flow from investing activities	(174.89)	(327.06)	(68.56)	(123.74)
Net cash flow from financing activities	(769.79)	37.15	(930.60)	(160.45)
Net increase in cash and cash equivalents	48.07	(38.87)	(38.82)	121.24
Add: Balance at the beginning of the year	192.39	231.25	270.07	148.84
Cash and cash equivalents at the end of the year	240.46	192.38	231.25	270.07

### **FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS:**

#### **1. Unusual or infrequent events or transactions**

An outbreak of COVID-19 was recognised as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India, have taken preventive or protective actions such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. Due to a government mandated lockdown in India, we had to temporarily shut down our operations from mid-March 2020 to June 2020. We saw a decline in our business during first half of Fiscal 2021. We have resumed operations in July 2020. If we do not respond appropriately to the pandemic, or if customers do not perceive our response to be adequate, we could suffer damage to our reputation and our brand, which could adversely affect our business in the future.

#### **2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in ‘*Factors Affecting our Results of Operations*’ and the uncertainties described in the section entitled ‘*Risk Factors*’ beginning on page 16 of the Prospectus. To our knowledge, except as we have described in the Prospectus, there are no known factors which we expect to bring about significant economic changes.

**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 titled “*Risk Factors*” on page 16 in the 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 relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.**

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by service providers.

**5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.**

Changes in revenues during the last three fiscal years are explained in “Management’s Discussion and Analysis of Financial Condition & Results of Operations” under the subsection “Comparison of Financial Years ended March 31, 2021, 2020 and 2019” under the respective paragraphs titled “Operating Revenue”.

**6. Total turnover of each major industry segment in which the issuer company operated.**

For details on the total turnover of the industry please refer to “*Industry Overview*” on page 67.

**7. Status of any publicly announced new products or business segment.**

Our Company has not announced any new product or business segment.

**8. The extent to which business is seasonal.**

Our business is generally not seasonal in nature.

**9. Any significant dependence on a single or few suppliers or customers.**

Particulars	6 months period ended September 30, 2022	Financial Year ended March 31, 2022	Financial Year ended March 31, 2021
Customers’ contribution Top 5 (%)	85.80%	79.90%	81.53%
Suppliers contribution Top 5 (%)	58.56%	61.44%	58.34%

**10. Competitive conditions.**

Competitive conditions are as described under “*Industry Overview*” and “*Our Business*” on pages 67 and 72, respectively.

### FINANCIAL INDEBTEDNESS

Following is a summary of our Company's outstanding borrowings as on November 30, 2022:

Sr. No.	Nature of Borrowing	Amount *(₹ in lakhs)
1.	Secured Borrowings	1,310.48
2.	Unsecured Borrowings	Nil
	<b>Total</b>	1,310.48

Name of the Lender	Sanctioned amount (in ₹ Lakhs)	Total outstanding amount as on November 30, 2022 (in ₹ Lakhs)	Interest Rate	Repayment Schedule	Prepayment clause (if any)
Apna Bank Term Loan I	1500.00	909.09	9% per annum	EMI of Rs. 26,48,600	2% of outstanding amount
Apna Bank Term Loan II	400.00	317.97	9% per annum	EMI of Rs. 5,74,000	2% of outstanding amount
NKGSB Co-operative Bank Limited	1,500.00	--	9% per annum	Repayable on demand. Limit valid upto 30.04.2023	2% of outstanding amount
HDFC Bank Vehicle Loan	20.35	9.21	8.70% per annum	EMI of Rs. 41,952	<ul style="list-style-type: none"> <li>• Prepayment shall be allowed only after expiry of 6 months or EMIs, Whichever is later, from the date of Disbursement of the Loan.</li> <li>• 6% of Principal Outstanding for pre closure within 1 year from 7th EMI.</li> <li>• 5% of Principal Outstanding for pre closure within 13 – 24 months from 1st EMI.</li> <li>• 3% of Principal Outstanding</li> </ul>

					for pre closure post 24 months from 1st EMI.
Kotak Mahindra Prime Limited Vehicle Loan	26.54	21.89	7.24% per annum	EMI of Rs. 52,680	5.1% of outstanding amount
HDFC Bank Vehicle Loan	37.84	37.32	7.80% per annum	EMI of Rs. 76,365	<ul style="list-style-type: none"> <li>Prepayment shall be allowed only after expiry of 6 months or EMIs, Whichever is later, from the date of Disbursement of the Loan.</li> <li>6% of Principal Outstanding for pre closure within 1 year from 7th EMI.</li> <li>5% of Principal Outstanding for pre closure within 13 – 24 months from 1st EMI.</li> <li>3% of Principal Outstanding for pre closure post 24 months from 1st EMI.</li> </ul>
HDFC Bank Vehicle Loan	15.00	15	7.90% per annum	EMI of Rs.30,343	<ul style="list-style-type: none"> <li>Prepayment shall be allowed only after expiry of 6 months or EMIs,</li> </ul>

					Whichever is later, from the date of Disbursement of the Loan. <ul style="list-style-type: none"> <li>• 6% of Principal Outstanding for pre closure within 1 year from 7th EMI.</li> <li>• 5% of Principal Outstanding for pre closure within 13 – 24 months from 1st EMI.</li> <li>• 3% of Principal Outstanding for pre closure post 24 months from 1st EMI.</li> </ul>
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**Principal terms of the secured borrowings currently availed by our Company:**

**Vehicle loans**

1        Loans against vehicles are secured against hypothecation of vehicles against which loans are taken.

**Term Loan : Apna Sahakari Co - Operative Bank Ltd.**

2        Primary :- First charge by way of mortgage of entire immovable fixed assets consisting of

The immovable fixed assets of the company include:

a) Land & buildng situated at Piot no.22/2 MIDC Ind. Area, Taloja, Taluka Panvel, Dist - Raigad.

b) Land & building situated on Plot No. I-5/1 in the Taloja, Industrial Area, Chal & Khairane Budruck Taluka, Panvel District - Raigad.

Collateral :- First charge by way of hypothecation on fixed assets of the company installed at industrial premises as mentioned above

**Term Loan with NKGSB Bank**

3        Primary :- 1) Extension of first charge on entire immovable fixed assets of the company

The immovable fixed assets of the company include:

- a) Land & building situated at Plot no.22/2 MIDC Ind. Area, Taloja, Taluka Panvel, Dist Raigad
- b) Land & building situated on Plot No. I-5/1 in the Taloja, Industrial Area, Chal & Khairane Budruck Taluka, Panvel District - Raigad.
- c) Land & building situated at Plot no.K 7 Mahad, Dist Raigad & hypothecation of movable fixed asset at K7, Mahad

**Unsecured Borrowings**

There are NIL unsecured loans amount payable as on November 30, 2022.

## **SECTION VII – LEGAL AND OTHER INFORMATION OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

*Except as stated in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by statutory and regulatory authorities; (iii) tax proceedings - claims related to direct and indirect taxes in a consolidated manner; and (iv) material civil litigation which are determined to be 'material' as per a policy adopted by our Board ("Materiality Policy"), in each case involving our Company, Subsidiary, Promoters or our Directors (collectively, the "Relevant Parties"). Further, there are no disciplinary actions including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding action.*

*In terms of the Materiality Policy, any pending/outstanding litigation involving the Relevant Parties which exceeds the amount which is 1% of the total revenue from operations as per the Restated Financial Statements for the Financial Year 2022 would be considered material for our Company and accordingly disclosed in the Prospectus.*

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. In accordance with the Materiality Policy, outstanding dues to any creditor of our Company, which is 5% or more of the total outstanding dues (trade payables) as per the latest fiscal in the Restated Financial Statements included in this Draft, shall be considered as 'material' and have been considered as 'material outstanding dues' for the purpose of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or medium enterprise ("MSME"), the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

*All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of the date of this Prospectus.*

### **I. LITIGATIONS INVOLVING OUR COMPANY**

#### **A. Outstanding criminal litigations involving our Company**

##### ***Criminal litigation against our Company***

As on the date of this Prospectus, there are no outstanding civil litigations initiated against our Company.

##### ***Criminal litigations initiated by our Company***

As on the date of this Prospectus, there are no outstanding criminal litigations initiated against our Company.

#### **B. Other outstanding Material litigation involving our Company**

##### ***Civil litigations against our Company***

As on the date of this Prospectus, there are no outstanding Civil Litigations initiated by our Company.

##### ***Civil litigations initiated by our Company***

As on the date of this Prospectus, there are no outstanding Civil Litigations initiated against our Company.

#### **C. Outstanding actions by Statutory or Regulatory Authorities against our Company**

As on the date of this Prospectus, there are no outstanding actions initiated by Statutory or Regulatory Authorities against our Company.

#### **D. Outstanding tax proceedings involving our Company**

(₹ in lakhs)

Particulars	No. of Cases	Amount Involved
Direct Tax	2	0.10
Indirect Tax	2	47.75
<b>Total</b>	<b>4</b>	<b>47.85</b>

## **II. LITIGATIONS INVOLVING OUR PROMOTERS**

### **A. Outstanding criminal litigations involving our Promoters**

#### ***Criminal litigations against our Promoters***

As on the date of this Prospectus, there are no outstanding criminal litigations initiated against our Promoters.

#### ***Criminal litigations initiated by our Promoters***

As on the date of this Prospectus, there are no outstanding criminal litigations initiated by our Promoters.

### **B. Other outstanding litigations involving our Promoter**

#### ***Civil litigations against our Promoters***

As on the date of this Prospectus, there are no outstanding civil litigations against our Promoters.

#### ***Civil litigations initiated by our Promoters***

As on the date of this Prospectus, there are no outstanding civil litigations initiated by our Promoters.

### **C. Outstanding actions by Statutory or Regulatory authorities against our Promoters**

As on the date of this Prospectus, there are no outstanding action initiated by Statutory or Regulatory authorities against our Promoters.

### **D. Outstanding tax proceedings against our Promoters**

As on the date of this Prospectus, there are no outstanding tax proceedings against our Promoters.

## **III. LITIGATIONS INVOLVING OUR DIRECTORS**

### **A. Criminal litigations involving our Directors**

#### ***Criminal litigations against our Directors***

As on the date of this Prospectus there are no outstanding criminal litigations against our Directors.

#### ***Criminal litigations initiated by our Directors***

As on the date of this Prospectus there are no outstanding criminal litigations initiated by our Directors.

### **B. Other outstanding litigations involving our Directors.**

#### ***Civil litigations against our Directors***

As on the date of this Prospectus, there are no outstanding civil litigations against our Directors.

#### ***Civil litigations initiated by our Directors***

As on the date of this Prospectus, there are no outstanding civil litigations initiated by our Directors.

### **C. Outstanding actions by Statutory or Regulatory Authorities against any of our Directors**

As on the date of this Prospectus there are no outstanding actions initiated by the Statutory or Regulatory Authorities against our Directors.

#### **D. Outstanding tax proceedings involving our Directors**

As on the date of this Prospectus, there are no outstanding tax proceedings against our Directors.

#### **Outstanding dues to creditors**

The Board of Directors, has considered and adopted the Materiality Policy. In terms of the Materiality Policy, creditors of our Company, to whom an amount exceeding 5% of our total outstanding dues (trade payables) as on the date of the latest Restated Financial Statements was outstanding, were considered ‘material’ creditors.

As per the latest Restated Financial Statements, our total trade payables as on September 30, 2022, was ₹ 1,797.81 lakhs and accordingly, creditors to whom outstanding dues exceed ₹ 89.89 lakhs have been considered as ‘material’ creditors’ for the purposes of disclosure in this Prospectus.

Based on this criteria, details of outstanding dues owed as on September 30, 2022 by our Company on consolidated basis are set out below:

<b>Types of Creditors</b>	<b>Number of Creditors</b>	<b>Amount involved</b> (₹ in lakhs)
Micro, small and medium enterprises	Nil	Nil
Material Creditors	5	1,260.04
Other Creditors	199	537.77

The details pertaining to net outstanding dues towards our material creditors as on September 30, 2022 (along with the names and amounts involved for each such material creditor) are available on the website of our Company at [www.ducol.com](http://www.ducol.com). It is clarified that such details available on our website do not form a part of this Prospectus.

#### **Material Developments**

Except as stated in “*Management’s Discussion and Analysis of Financial Condition and Results of Operation – Material developments since the last balance sheet date*” on page 137 no circumstances have arisen since March 31, 2022, the date of the last Restated Financial Statements disclosed in this Prospectus, any circumstances which materially and adversely affect or are likely to affect the value of our assets or our ability to pay our material liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS

We have set out below a list of material approvals, consents, licences, and permissions from the governmental and regulatory authorities obtained by our Company which are considered material and necessary for the purpose of undertaking our business activities and operations. In view of the approvals listed herein, our Company can undertake the Offer and its current business activities. Unless otherwise stated, our Company has obtained all material approvals and the same are valid as of the date of this Prospectus. The material approvals, consents, licenses, registrations, and permits obtained by our Company which enable it to undertake its current business activities are set forth below. Further, as on the date of this Prospectus, our Company does not have any material subsidiaries.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities.

### A. Corporate / General Authorizations

Sr. No.	Authorisation granted	Issuing Authority	Registration No./CIN	Date of Issue	Valid up to
1.	Certificate of incorporation in the name of “ <i>Ducol Organics &amp; Colours Private Limited</i> ”	Registrar of Companies, Maharashtra, Mumbai	U24239MH1994PLC079015	June 16, 1994	Valid until cancelled
2.	Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company in the name of “ <i>Ducol Organics And Colours Limited</i> ”	Registrar of Companies, Maharashtra, Mumbai	U24239MH1994PLC079015	July 1, 2022	Valid until cancelled

### B. Issue Related Authorizations

1. Our Board of Directors has, pursuant to a resolution passed at its meeting held on October 27, 2022, authorised the Issue subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and approvals by such other authorities as may be necessary.
2. The shareholders of our Company have authorised the Issue, pursuant to a special resolution under Section 62(1)(c) of the Companies Act, 2013, passed at their EGM held on November 14, 2022.
3. Our Company has obtained in-principle approval dated December 27, 2022 from the NSE.
4. Our Company's International Securities Identification Number (“ISIN”) is INE0LZO01015.

### C. Tax Related Authorisations

Sr. No.	Authorisation Granted	Issuing Authority	Registration No. / Reference No. / License No.	Applicable Act/ Regulation	Valid up to
1.	Permanent Account Number (PAN)	Income Tax Department, GoI	AAACD1315L	Income Tax Act, 1961	Valid until cancelled
2.	Tax Deduction Account Number (TAN)	Income Tax Department, GoI	MUMD04924D	Income Tax Act, 1961	Valid until cancelled
3.	GSTIN Certificate of Registration	Government of India And Government of Maharashtra	27AAACD1315L1ZW	GST Act	Valid until cancelled
4.	Profession tax registration	Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975			Valid until cancelled

#### D. Business Related Authorisations

Our Company requires various approvals and/or licenses to carry on our business in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements.

1. *License to work a factory:* Our Company has obtained licenses under the Factories Act, 1948 for our Unit I and Unit II bearing license numbers 122002022200364 and 122002022200375, respectively which are valid till December 31, 2026, respectively.
2. *Environmental registrations:* We have obtained the relevant consents under the Water (Prevention and Control of Pollution) Act, 1974; Air (Prevention and Control of Pollution), Act, 1981 and authorization under Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008 from Maharashtra Pollution Control Board for operation of our Unit I, Unit II and Unit III bearing numbers RONM/NNB/TTC/RED/O/MPCB/15/11958; BO/26/RONM/UAN No. 0000113233/O-2109000469 and RO-RAIGAD/CONSENT/1906000478, respectively which are valid till November 30, 2025; August 31, 2024 and December 31, 2024, respectively.
3. We have obtained Udyam Registration Certificate for registration as a Medium Enterprise, with registration number UDYAM-MH-19-0039797.
4. *Employment related registrations:*
  - i. We have obtained registration under the Employees' State Insurance Act, 1948.
  - ii. We have obtained registration under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 bearing code MH/ VASHI/115093/86.

#### I. Foreign trade related approvals

Our Company has obtained an importer exporter code bearing number 0395006643 issued from the Office of Additional Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India.

#### II. Approvals applied for but not received by our Company

Nil

#### III. Approvals required but not obtained or no applications filed by our Company

Nil

#### E. Intellectual Property Registration

We have registered following marks with the Trade Mark Registry:

Sr. No.	Particulars of Mark	Mark Type	Valid Upto	Trademark Number	Class
1.	DUTINT – Pigment Preparations for Emulsion Paints	Word Mark	May 14, 2024	1283874	2
2.	DUTEX – Pigment Emulsions for Textile Industry	Word Mark	May 15, 2027	740716	2
3.	DUPRINT – Organic Pigments for Printing Inks	Word Mark	May 15, 2027	740715	2

4.	DUPREN – Pigment Dispersion for Rubber Industry	Word Mark	May 14, 2024	1283872	2
5.	DULACK – Organic Pigments for Paint Industry	Word Mark	May 15, 2027	740717	2

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

#### *Corporate Approvals*

- Our Board has, pursuant to its resolution dated October 27, 2022, authorized the Issue, subject to the approval of the Equity Shareholders of our Company under Section 62(1)(c) of the Companies Act 2013.
- Our Equity Shareholders have, pursuant to a resolution dated November 14, 2022, under Section 62(1)(c) of the Companies Act, authorized the Issue.

We have received in-principle approval from NSE *vide* their letter dated December 27, 2022 to use the name of NSE in this Offer Document for listing of our Equity Shares on SME Platform of NSE. NSE is the Designated Stock Exchange.

### Prohibition by SEBI, the RBI, or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of the Promoter Group, the persons in control of our Company and each of the Selling Shareholders have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority or court, including any securities market regulator in any jurisdiction.

### Prohibition by RBI

Neither our Company, our Promoter, our Directors, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a wilful defaulter or a fugitive economic offender and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them.

Neither our Company, our Promoter, our Directors, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the Reserve Bank of India;

None of our Promoters or Directors are Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

### Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoter and members of the Promoter Group, are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended (“SBO Rules”), to the extent applicable to each of them as on the date of this Prospectus.

### Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market and there has been no action initiated by SEBI against the Directors of our Company in the five years preceding the date of this Prospectus.

### Eligibility for this Issue

Our Company has complied with the conditions of Regulation 230 of SEBI (ICDR) Regulations, 2018 for this Issue.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 as we are an Issuer whose post issue paid up capital is more than to Rs. 10 crore and less than Rs. 25 crore 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 *"Emerge Platform of NSE"* ).

We confirm that:

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the LM 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 41.
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 fifty (50), 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(5) of the SEBI (ICDR) Regulations, our Lead Manager shall submit a soft copy of the Prospectus to SEBI at the time of filing the Prospectus with Stock Exchange and ROC. In terms of Regulation 246(1) and (3) of the SEBI (ICDR) Regulations, we shall ensure that our Lead Manager submits a copy of the Offer Document along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Offer Document with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Offer Document.
4. In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, we hereby confirm that we shall enter into an agreement with the 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 Emerge Platform of NSE. 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 41.

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, 2018 as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the Emerge Platform of NSE:-

- a) Our Company was incorporated on June 16, 1994, with the Registrar of Companies, Mumbai under the Companies Act, 2013 in India.
- b) As on the date of this Prospectus, our Company has a paid-up capital of ₹1050.00 lakhs and the Post Issue Paid-up Equity Share Capital will be ₹1,454.00 lakhs which is less than ₹2,500 lakhs.
- c) Our Company has a track record of at least three years.
- d) Our company has positive cash accruals on the basis of restated financials (earnings before depreciation and tax) from operations for at least 2 financial years preceding, below are the details:

Particulars	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	(₹ Lakhs)
Profit Before Tax	505.00	620.73	339.76	28.95	
<i>Add: Depreciation</i>	54.67	112.04	115.46	167.90	
<i>Less : Other Income</i>	15.61	95.04	94.17	54.87	
<b>Positive Cash Accruals (Earnings Before Depreciation and Tax)</b>	544.06	637.73	361.04	141.98	

- e) The networth as per the restated financials of our Company as on September 30, 2022 is ₹2,483.83 lakhs.
- f) Our Company has not been referred to erstwhile Board for Industrial and Financial Reconstruction (BIFR) and no proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.
- g) Our Company has not received any winding up petition admitted by a NCLT / Court.

h) No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past three years against our Company.

Other Disclosures:

- i) Any material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company: Not Applicable
- j) Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years: Not Applicable
- k) We have disclosed the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) litigation record, the nature of litigation, and status of litigation. Complied with
- l) In respect of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences. Not Applicable
- m) There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to NSE for listing on Emerge Platform of NSE.
- n) We have a website: [www.ducol.com](http://www.ducol.com)

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Draft Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on the NSE Emerge platform. NSE is the Designated Stock Exchange.
- Our Company has entered into an agreement with both the depositories for dematerialisation of its Equity Shares already issued and proposed to be issued.
- The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- The entire Equity Shares held by the Promoters shall be in dematerialised form.
- The requirement of firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for funding from the issue proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals is not applicable to our Company. For details, please refer the chapter “Objects of the Issue” on page 58.

Our Company confirms that the amount for general corporate purposes, as mentioned in objects of the issue in the offer document does not exceed twenty five per cent. of the amount being raised by our Company.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoters or Directors is a wilful defaulter.
- (d) Neither our Company nor our Promoters or Directors is a fraudulent borrower.

(e) None of our Promoters or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such offer 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.

Further, In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within 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. 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.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, FIRST OVERSEAS CAPITAL LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS OFFER DOCUMENT, THE LEAD MANAGER, FIRST OVERSEAS CAPITAL LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, FIRST OVERSEAS CAPITAL LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 29, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2018.**

**THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY 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 LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.**

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Maharashtra in terms of sections 26, 32 and 33 of the Companies Act, 2013.

#### **Disclaimer from our Company and the Lead Manager**

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU / Issue Agreement entered into between the Lead Manager and our Company dated November 15, 2022 and the Underwriting Agreement dated December 20, 2022 entered into between the Underwriter and our Company and the Market Making Agreement dated December 20, 2022 entered into among the Lead Manager, the Market Maker and our Company.

All information shall be made available by our Company and the Lead Manager to the Applicants and public 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 Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for our Company, our Group Entities and our respective affiliates and associates in the ordinary course of business, and have engaged, or may in the future engage in commercial banking and investment banking transactions with our Company or our Group Entities or their respective affiliates or associates for which they have received, and may in future receive compensation.

### **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 2 (72) of the Companies Act, 2013, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, Alternative Investment Fund, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹2,500 lakhs, pension fund with minimum corpus of ₹2,500 lakhs, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India, 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 the Company this Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in 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, except that the Draft Prospectus has been filed with NSE for its observations and NSE shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

### **Disclaimer Clause of the Emerge Platform of NSE**

As required, a copy of the Draft Prospectus has been submitted to the Emerge Platform of NSE.

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/2016 dated December 27, 2022, permission to the Issuer to use the Exchange’s name in this Offer Document as one of the Stock Exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this

offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

### **Track records of past issues handled by First Overseas Capital Limited**

For details regarding the track record of the First Overseas Capital Limited, as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the website of First Overseas Capital Limited at [www.focl.in](http://www.focl.in)

### **Listing**

The Equity Shares of our Company are proposed to be listed on Emerge Platform of NSE. Our Company has obtained in-principle approval from NSE by way of its letter dated December 27, 2022 for listing of equity shares on Emerge Platform of NSE.

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the 40 to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this 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 SME Platform of NSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Offer within Six (6) Working Days from the 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 Subject to applicable law.

### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

**“Any person who –**

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or**
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”**

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

### **Consents**

Consents in writing of (a) Our Directors, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Banker to the Company; (b) Lead Manager, Registrar to the Issue, Banker to the Issue/ Sponsor Bank,

Legal Advisor to the Issue, Underwriter to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 26 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

Our Company has received written consent from the Statutory Auditor namely, M/s. Choudhary Choudhary & Co., Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the report of the Peer Reviewed Auditor on the Restated Financial Statements, dated November 15, 2022 and the statement of tax benefits dated November 15, 2022 and such consent has not been withdrawn as on the date of this Prospectus.

### **Expert Opinion**

Except for the reports in the section “Financial Information of the Company” on Restated Financial Information and “Statement of Tax Benefits” on page 108 and page 65, from the Statutory Auditors, our Company has not obtained any expert opinions.

### **Previous Rights and Public Issues during the Last Five Years**

We have not made any previous rights and/or public issues during the last five years, and are 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.

### **Commission and Brokerage Paid on Previous Issues of our Equity Shares**

Since this is the Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

### **Previous capital issue during the last three years by listed Group Companies and Subsidiary of our Company**

None of the Group Companies of our Company are listed. Further, none of our Group Companies have made any public or rights issue of securities in the preceding three years.

### **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.

None of the Group Entities has made public issue of equity shares during the period of ten years immediately preceding the date of filing draft offer document with the National Stock Exchange of India Limited.

### **Details of Fees Payable**

#### **Fees Payable to the Lead Manager**

The total fees payable to the Lead Manager (including underwriting fees) will be as per the Memorandum of Understanding and Underwriting Agreement among our Company and the Lead Manager, copy of which is available for inspection at the Registered Office of our Company.

#### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated September 28, 2022 a copy of which is available for inspection at our 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 by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

#### **Fees Payable to Others**

The total fees payable to the Legal Advisor, Statutory Auditor and Advertisers, etc. will be as per the terms of their respective engagement letters, if any.

## Statement on Price Information of Past Issues handled by First Overseas Capital Limited:-

TABLE 1

Sr. No.	Issue Name	Issue Size (Rs. Cr.)	Issue Price (Rs.)	Listing Date	Opening Price on listing date	+/-% change in closing price, [+/-% change in closing benchmark]-30th calendar days from listing	+/-% change in closing price, [+/-% change in closing benchmark]-90th calendar days from listing	+/-% change in closing price, [+/-% change in closing benchmark]-180th calendar days from listing
1)	Party Cruisers Limited	7.75	51.00	05-03-2021	54	-63.15(-0.74)	-60.93(+3.62)	-68.06(+13.75)
2)	BEW Engineering Limited	3.97	58.00	16-09-2021	127.60	+137.63(2.67)	+311.35(-2.29)	+420.64(-5.69)
3)	Nidan Healthcare & Laboratories Limited	50.00	125.00	12-11-2021	106.35	-51.34(-2.55)	-59.75(-2.31)	-67.90(-10.33)
4)	Precision Metaliks Limited	21.93	51.00	01-02-2022	75.00	-37.19(-6.39)	-45.26(-3.21)	-60.70(-2.20)
5)	Vaidya Sane Ayurved Laboratories Limited	20.22	73.00	23-02-2022	102.00	+78.27 (+1.32)	+66.41(-5.56)	+31.50 (+2.69)
6)	Nanavati Ventures Limited	2.19	50.00	06-05-2022	50.00	-20.87(1.53)	-33.53(+1.54)	-36.51(+11.07)
7)	Veerkrupa Jewellers Limited	8.10	27.00	18-07- 2022	27.00	+198.05(9.40)	+171.35(+7.13)	N.A.
8)	Ishan International Limited	18.24	80.00	22-09- 2022	82.00	-41.25(+0.32)	-59.94(+3.29)	N.A.
9)	Varanium Cloud Limited	36.60	122.00	27-09- 2022	131.00	+92.79 (+4.27)	+687.70(6.06)	N.A.
10)	QMS Medical Allied Services Limited	56.87	121.00	11-10- 2022	128.00	+51.86(6.07)	N.A.	N.A.

## Note:-

1. The BSE Sensex and Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case the 30th/90th/180th day is a holiday, closing price on BSE/NSE of the previous trading day has been considered.
4. In case 30th/90th/180th days, scrips are not traded then closing price on BSE/NSE of the previous trading day has been considered.

**TABLE 2: SUMMARY STATEMENT OF DISCLOSURE**

Financial Year	Total no. Of IPOs	Total amount of funds raised (Rs. 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%
2022-23*	5	121.99	-	1	1	3	-	-	-	1	-	-	-	-
2021-22	4	96.13	-	1	1	2	-	-	1	1	-	2	-	-
2020-21	1	7.75	1	0	0	0	0	0	1	0	0	0	0	0
2019-20	3	17.39	0	0	1	0	0	2	1	0	1	0	0	1

\* Upto date of this Prospectus

### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

As on the date of this Prospectus, our Company has no outstanding debentures, bonds, or redeemable preference shares.

### **Partly Paid-Up Shares**

As on the date of this 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 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 Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

Further, the Applicants shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Applicants. Our Company, the Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission, or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

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 Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

The Board has constituted a Stakeholders Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For further details, please refer to the “*Our Management*” on page 88.

Our Company has appointed CS Sabina Bee Qureshi as the Company Secretary and Compliance Officer and he may be contacted at the following address:

**Sabina Bee Qureshi,**  
**Company Secretary and Compliance Officer**  
Office No 302, Express Building,  
14-E Road, Churchgate, Mumbai – 400020,  
Maharashtra, India  
Tel: +91 22 4608 2353  
E-mail: ipo@ducol.com

Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, *etc.*

As on the date of this Prospectus, there are no pending investor complaints. Our Company has not received any investor complaint in the three years prior to the filing of this Prospectus.

Our Company, Lead Manager 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.

Our Group Companies and our Subsidiaries are not listed on any stock exchange.

#### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of nonroutine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

## SECTION VIII – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“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 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the website of the Stock Exchange and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this 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 Offer shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer 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.*

*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.*

#### **Ranking of Equity Shares**

The Equity Shares being issued in the Issue shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer “*Main Provisions of Articles of Association*” on page 198.

#### **Authority for the Issue**

This Issue has been authorized by a resolution of the Board passed at their meeting held on October 27, 2022 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the EGM of the Company held on November 14, 2022.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, 1956 and Companies Act, 2013, Article of Association, the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 any other rules, regulations or guidelines as may be issued by Government of India in connection to 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 dividend, in cash as per the provisions of the Companies Act and our Articles of Association.

#### **Face Value and Issue Price per Share**

The face value of the Equity Shares is ₹10.00 each and the Issue Price is ₹78.00 per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under “*Basis for Issue Price*” on page 63. At any given point of time there shall be only one denomination for the Equity Shares.

#### **Compliance with SEBI (ICDR) Regulations**

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.

### **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:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer “*Main Provisions of Articles of Association*” on page 198.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, India.

**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.**

**The above information is given for the benefit of the Applicants. Our Company and the 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 Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint – tenants with benefits of survivorship.

### **Allotment only in Dematerialised Form**

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories, and the Registrar to the Offer:

- Agreement dated May 27, 2022 amongst NSDL, our Company and the Registrar to the Offer; and
- Agreement dated May 26, 2022 amongst CDSL, our Company and the Registrar to the Offer.

### **Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of 1,600 Equity Shares and the same may be modified by the SME platform of NSE from time to time by giving prior notice to investors at large.

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 the sole or first Applicant, along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, 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 our Registered Office 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 the provisions 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 ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

#### **Minimum Number of Allottees**

Further in accordance with the Regulation 268 of SEBI (ICDR) Regulations, the minimum number of allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and the monies blocked by the SCSBs and sponsor bank, shall be unblocked within 4 working days of closure of Offer.

#### **Period of the Subscription list of the Public Issue**

Event	Indicative Date
Issue Opening Date	January 09, 2023
Issue Closing Date	January 11, 2023
Finalization of Basis of Allotment with the Designated Stock Exchange	January 16, 2023
Initiation of Refunds	January 17, 2023
Credit of Equity Shares to Demat Accounts of Allottees	January 18, 2023
Commencement of trading of the Equity Shares on the Stock Exchange	January 19, 2023

**The above timetable is indicative and does not constitute any obligation on our Company and the 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 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue 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.**

#### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolution of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond four days after the Issuer becomes liable to pay the amount, the Issuer shall pay 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 41.

Further, in accordance with Regulation 267 of the SEBI ICDR Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

### **Arrangements for Disposal of Odd Lots**

The trading of the equity shares will happen in the minimum contract size of 1,600 Equity Shares. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE.

### **Option to receive Equity Shares in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, the Equity Shares in the Issue shall be allotted only in dematerialised form. Further, as per the SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchange.

### **Migration to Main Board**

In accordance with the NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of the NSE for a minimum period of 2 (Two) years from the date of listing and only after that it can migrate to the Main Board of NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations. Our Company may migrate to the main board of NSE from the SME Platform on a later date subject to the following:

- a) If the Paid up Capital of the company is likely to increase above ₹25 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 Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid up Capital of the company is more than ₹10 crores but below ₹25 crores, 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 promoters 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 issued and transferred through this Offer are proposed to be listed on the NSE SME with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the Emerge Platform of NSE. For further details of the market making arrangement please refer to chapter titled “General Information” beginning on page 39 of this Prospectus.

### **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.

### **New Financial Instruments**

The Issuer Company is not issuing any new financial instruments 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, if any on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-Issue capital of our Company, Promoters' minimum contribution as provided in "*Capital Structure*" on page 46, and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer "*Main Provisions of Articles of Association*" on page 198.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue face value capital exceeds ten crores rupees and is less than Rs. 25 crore, 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 SME Platform of NSE). For further details regarding the salient features and terms of such an issue please refer "Terms of the Issue" and "Issue Procedure" on page 169 and 174, respectively.

**Following is the Issue structure:**

Public issue of up to 40,40,000 Equity Shares of face value of ₹10.00 each of our Company for cash at a price of ₹78.00 per Equity Share (including a share premium of ₹68 per Equity Share) ("Issue Price") aggregating to ₹3,151.20 lakhs ("the Issue") of which 4,01,600 Equity Shares aggregating to ₹313.25 lakhs will be reserved for subscription by Market Maker ("Market Maker Reservation Portion"). The Issue less the Market Maker Reservation Portion i.e. issue of 36,38,400 Equity Shares of face value of ₹10.00 each at an Issue Price of ₹78.00 per equity share aggregating to ₹2,837.95 lakhs is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute 27.79% and 25.02%, respectively of the post issue paid-up equity share capital of our Company.

Particulars	Net Issue to Public <sup>^</sup>	Market Maker reservation portion
<b>Number of Equity Shares</b>	36,38,400 Equity Shares	4,01,600 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	90.06% of the Issue Size  (50% for the Retail Individual Investors and the balance 50% for Other than Retail Individual Investors).	9.94% of the Issue Size
<b>Basis of Allotment/Allocation if respective category is oversubscribed</b>	Proportionate subject to minimum allotment of 1,600 Equity Shares and Further allotment in multiples of 1,600 Equity Shares each.  For further details please refer to the section titled "Issue Procedure" on page 177.	Firm Allotment
<b>Mode of Application*</b>	All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for UPI Applicants using Syndicate ASBA).	
<b>Minimum Application Size</b>	<u><b>For QIB and NII:</b></u> Such number of Equity Shares in multiples of 1,600 Equity Shares at an Issue price of ₹78 each such that the Application Value exceeds ₹2,00,000  <u><b>For Retail Individuals:</b></u> 1,600 Equity Shares at an Issue price of ₹78 each.	4,01,600 Equity Shares at an Issue price of ₹78 each.
<b>Maximum Application</b>	<u><b>For QIB and NII:</b></u> The maximum application size is the Net Issue to public i.e. 36,38,400 Equity Shares, subject to limits the investor has to adhere under the relevant laws and regulations as applicable.	4,01,600 Equity Shares at an Issue price of ₹78 each.

Particulars	Net Issue to Public <sup>^</sup>	Market Maker reservation portion
	<b><u>For Retail Individuals:</u></b> 1,600 Equity Shares at an Issue price of ₹78 each.	
<b>Mode of Allotment</b>	Dematerialized Form	Dematerialized Form
<b>Trading Lot</b>	1,600 Equity Shares	1,600 Equity Shares. However, the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations.
<b>Terms of payment</b>	The entire Application Amount will be payable at the time of submission of the Application Form.	

*This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer 'Terms of the Issue' on page 169.*

\*As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price offer the allocation in the net offer to the public category shall be made as follows:

- d) Minimum fifty percent to retail individual investors; and
- e) Remaining to:
  - i. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- f) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

*If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.*

*\*In case of joint Application, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.*

### Withdrawal of the Issue

The Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of National Stock Exchange of India Limited for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and,
2. The final ROC approval of the Prospectus after it is filed with the ROC.

In case, the Company wishes to withdraw the Issue after 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 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 Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

### **Issue Programme**

<b>Issue Opening Date</b>	January 09, 2023
<b>Issue Closing Date</b>	January 11, 2023

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time).

Standardization of cut-off time for uploading of Applications on the Issue Closing Date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of Applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of Applications received from other than Retail Individual Applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of Applications received from only Retail Individual Applicants, which may be extended up to such time as deemed fit by National Stock Exchange of India Limited after taking into account the total number of Applications received up to the closure of timings and reported by Lead Manager to NSE within half an hour of such closure.

It is clarified that Applications 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 Application Form, for a particular Applicant, the details as per physical application form of that Applicant may be taken as the final data for the purpose of Allotment.

Applications will be accepted only on Working days i.e. all days excluding Saturdays, Sundays, and public holidays, on which the commercial banks in the city as notified in the offer document are open for business.

## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issues which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document is available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of CAN and Allotment in the Issue; (vi) General instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of 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 (xiv) interest in case of delay in Allotment or refund.

Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Draft Prospectus/Prospectus before investing in the Issue.

Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Prospectus.

Further, our Company and the Lead Manager do not accept any responsibility for any adverse occurrences consequent to the implementation of the UPI mechanism for application in this Issue.

The lists 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 Stockbroker, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that has been notified by National Stock exchange of India Limited to act as intermediaries for submitting Application Forms are provided on <https://www.nseindia.com>.

SEBI through its circular no. (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 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 RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (—UPI Phase II). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), issued by SEBI, the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by RIIs (“UPI Phase III”) and modalities of the implementation of UPI Phase III maybe notified and made effective subsequently, as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no.

SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16,2021 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on or after May 1, 2021 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 UPI applicants in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹5.00 lakhs shall use the UPI Mechanism.

*Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Prospectus.*

*Further, our Company and the Lead Manager are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Issue.*

#### **Phased implementation of Unified Payments Interface**

SEBI has issued a **UPI Circulars** in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 and will continue till June 30, 2019. Under this phase, a Retail Individual Applicant would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

**Phase II:** This phase commenced on completion of Phase I i.e. with effect from July 1, 2019 and was to be continued for a period of three months or launch of five main board public issues, whichever is later. Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Under this phase, submission of the Application Form by a Retail Individual Applicant through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to be three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Issue.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 500,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Manager.

### **FIXED PRICE ISSUE PROCEDURE**

The Issue is being made in compliance with the provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 and through the Fixed Price Process. As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue the allocation in the net offer to the public category shall be made as follows:

- g) Minimum fifty percent to retail individual investors; and
- h) Remaining to:
  - i. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
  - i) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spillover from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN, UPI ID (in case of RIBs using the UPI mechanism) and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchange.**

### **APPLICATION FORM**

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the NSE ([www.nseindia.com](http://www.nseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected. Retail Individual Investors using UPI mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants. ASBA Applicants are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount which can be blocked by the SCSB.

Category	Colour <sup>(1)</sup>
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FII's, FVCI's, etc. applying on a repatriation basis (ASBA)	Blue

(1) Excluding electronic Application Form.

RIIs using UPI mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants. ASBA Applicants are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount which can be blocked by the SCSB.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called “Designated Intermediaries”)

<b>Sr. No.</b>	<b>Designated Intermediaries</b>
1.	An SCSB, with whom the bank account to be blocked, is maintained.
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity)(‘broker’)
4.	A depository participant (‘DP’)(whose name is mentioned on the website of the Stock Exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent (“RTA”)(whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retails investors and other Individual Inventors 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 application form.

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 proof of having accepted the application form, in physical form or electronic mode respectively.

The upload of the details in the electronic bidding system of the stock exchange will be done by:

<b>For the applications submitted by the 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.
For applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment	After accepting the 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 application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of the Issue.
For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment	<p>After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).</p> <p>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.</p> <p>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.</p>

Stock exchange(s) shall validate the electronic 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(s) shall allow modification of selected fields viz. DP ID/Client ID, Bank code and Location code, in the application details already uploaded.

For ASBA Applicants using UPI mechanism, the Stock Exchange shall share the application details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to ASBA applicants for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate ASBA applicants (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the Bankers to the Issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to the Issue. The Lead Manager shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Issue for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI *circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/I/M* dated March 16 ,2021.

### **Who Can Apply?**

1. Indian nationals' resident in India, who are not minors (except through their Legal Guardians), in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in equity shares;
4. Mutual Funds registered with SEBI;
5. 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;
6. Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;
8. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Applications portion;
9. Venture Capital Funds registered with SEBI;
10. Foreign Venture Capital Investors registered with SEBI;
11. Eligible Qualified Foreign Investors;
12. Foreign Nationals and other non-residents (subject to eligibility norms specified in SEBI FPI Regulations, 2014 and other applicable provisions);
13. Multilateral and bilateral development financial institutions;
14. State Industrial Development Corporations;

15. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their respective constitutions to hold and invest in equity shares;
16. Scientific and/or industrial research organizations authorized in India to invest in equity shares;
17. Insurance companies registered with Insurance Regulatory and Development Authority;
18. Provident Funds with a minimum corpus of ₹250 million and who are authorised under their constitution to hold and invest in equity shares;
19. Pension Funds with a minimum corpus of ₹250 million and who are authorised under their constitution to hold and invest in equity shares;
20. Limited liability partnerships;
21. National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the Government of India, published in the Gazette of India;
22. Nominated Investor and Market Maker;
23. Insurance funds set up and managed by the army, navy, or air force of the Union of India and by the Department of Posts, India;
24. Any other person eligible to Apply in this Issue, under the laws, rules, regulations, guidelines, and policies applicable to them and under Indian laws.
25. As per the existing policy of the Government of India, OCBs cannot participate in this Issue. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.
26. Applications not to be made by:
  1. Minors (except through their Guardians)
  2. Partnership firms or their nominations
  3. Overseas Corporate Bodies

**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.**

#### **Maximum and Minimum Application Size**

##### **a) For Retail Individual Applicants:**

The Application must be for a minimum of 1,600 Equity Shares and in multiples of 1,600 Equity Shares thereafter, so as to ensure that the Application Amount payable by the Applicant does not exceed ₹2,00,000. In case of revision of the Application, the Retail Individual Applicants have to ensure that the Application Amount does not exceed ₹2,00,000.

##### **b) For Other Applicants [Non-Institutional Applicants and Qualified Institutional Buyer(s) (QIB):**

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹2,00,000 and in multiples of 1,600 Equity Shares thereafter. Application cannot be submitted for more than the Issue Size. However, the maximum application size by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Application at any stage and are required to pay the entire Application Amount upon submission of the Application.** Under the existing SEBI regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Application, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

The above Information is given for the benefits of the Applicants. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section. Applicants are advised to make their independent investigations and ensure that their Applications 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 Prospectus.

#### **Participation by associates and affiliates of the Lead Manager and the Syndicate Members**

The Lead Manager shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue in non Retail Portion, where the allocation is on a proportionate basis and such subscription may be on their own account or on the behalf of their clients.

#### **Option to subscribe in the Issue**

- a) As per Section 29(1) of the Companies Act, 2013, allotment of Equity Shares shall be dematerialized form only. Investors will not have the option of getting of specified securities in physical form. However, they may get the specified securities re-materialized subsequent to allotment.
- 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 laws.

#### **Applications by Mutual Funds**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to reject the Application without assigning any reason thereof.

Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

#### **Applications by Eligible NRIs**

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicants applying 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**) Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (**NRO**) accounts for the full application amount, at the time of the submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour). Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

#### **Application by FPIs (including FIIs)**

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Issue until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by 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 sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

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 investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised 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. Further, pursuant to a Circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

#### **Applications by SEBI registered Venture Capital Funds, Alternative Investment Fund (AIF) and Foreign Venture Capital Investors**

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the “**SEBI VCF Regulations**”) and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, among other things prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the “**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs.

The holding by any individual VCF 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 Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Applications by Limited Liability Partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. Limited Liability Partnerships can participate in the Issue only through the ASBA Process.

#### **Applications by Insurance Companies**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 (“**IRDA Investment Regulations**”), as amended, as amended, are broadly set forth below:

- 1) Equity shares of a company: the least of 10.00% of the investee company’s subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% 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 belongs 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 (a), (b) and (c) 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.

#### **Applications under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹25 Crores 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 with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason, therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a). With respect to applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (b). With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (c). With respect to applications made by provident funds with minimum corpus of ₹25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹25 Crores, a certified copy of a certificate from a chartered accountant

certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the lead manager may deem fit.

*Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.*

*The above information is given for the benefit of the Applicants. The Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*

#### **Applications by Provident Funds / Pension Funds**

In case of Applications made by provident funds with minimum corpus of ₹25 crores (subject to applicable law) and pension funds with minimum corpus of ₹ 25 crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

#### **Applications by Banking companies**

In case of Applications made by banking companies registered with RBI, certified copies of:

- (i) The certificate of registration issued by RBI, and
- (ii) The approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason, therefore.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the “Banking Regulation Act”), and Master Circular – Para-banking Activities dated July 1, 2015 is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

#### **Applications by Self Certified Syndicate Banks (SCSBs)**

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 applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

#### **Information for the Applicants**

1. Our Company and the Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the 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 Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.

3. Copies of the Application Form along with Abridged Prospectus and copies of the Prospectus will be available with the Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.
4. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office.
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected. The 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 or alternatively, the Retail Individual Applicants wishing to apply through UPI Channel, may provide the UPI ID and validate the blocking of the funds and the Application Forms that do not contain such details are liable to be rejected.
7. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSBs 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 Application Form, before entering the ASBA application into the electronic system.
8. 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 Applicants, or in the case of application in joint names, the first Applicant (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 Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons 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 Applicants.
9. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the 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 Application Form is liable to be rejected.

### **ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA) APPLICANTS**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

### **Method and Process of Applications**

1. Applicants are required to submit their applications during the Issue Period only through the Designated Intermediaries.
2. The Issue Period shall be for a minimum of three (3) Working Days and shall not exceed ten (10) Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding ten (10) Working Days.

3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. The Designated 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 application form, in physical or electronic mode, respectively. The upload of the details in the electronic bidding system of stock exchange and post that blocking of funds will be done by as given below:

For the applications submitted by the investors to SCSB	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.
For applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment	After accepting the 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 application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of the Issue.

6. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
7. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
8. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
9. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdraw/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### Terms of payment

The entire Issue price of ₹ 78 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 or Sponsor Bank to unblock the excess amount paid on Application to the Applicants.

SCSBs or Sponsor Bank will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs or Sponsor Bank.

The applicants should note that the arrangement with Banker to the Issue or the Registrar or Sponsor Bank is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

## **Payment mechanism for Applicants**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form sent by the Sponsor Bank. The SCSB or Sponsor Bank shall keep the Application Amount in the relevant bank account blocked until withdrawal/rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However Non-Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer 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.

## **Electronic Registration of Applications**

The Designated Intermediary may register the Applications using the on-line facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities on a regular basis before the closure of the issue.

On the Issue Closing Date, the Designated Intermediaries may upload the applications till such time as may be permitted by the Stock Exchange.

c) Only Applications that are uploaded on the Stock Exchange Platform are considered for allocation/Allotment. In the Phase 1, the Designated Intermediaries are given till 1:00 pm on the day following the Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Issue Period after which the Stock Exchange send the application information to the Registrar to the Issue for further processing.

## **Other Instructions**

### **Joint Applications in the case of Individuals**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### **Multiple Applications**

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature, and father/ husband's name to determine if they are multiple applications.
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.

iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of “know your client” norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

#### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

#### **Allocation of Equity shares**

- 1) The Issue is being made through the Fixed Price Process wherein 4,01,600 Equity Shares shall be reserved for Market Maker. 18,19,200 Equity Shares having face value of ₹10.00 each at a price of ₹78 per Equity Share aggregating ₹1,418.98 lakhs will be available for allocation to Retail Individual Investors. 18,19,200 Equity Shares having face value of ₹10.00 each at a price of ₹78 per Equity Share aggregating ₹1,418.98 lakhs will be available for allocation to other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for.
- 2) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines, and approvals.
- 4) In terms of SEBI Regulations, Non-Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

#### **Signing of Underwriting Agreement**

Vide an Underwriting Agreement dated December 20, 2022 this issue is 100% Underwritten.

#### **Filing of the Prospectus with the ROC**

The Company will file a copy of the Prospectus with the ROC in terms of 26 of the Companies Act, 2013.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI 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.

#### **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. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding, and irrevocable contract for the Allotment to such Applicant.
- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

### **Designated Date**

On the Designated Date, the Registrar to the Offer shall instruct the SCSBs or Sponsor Bank to unblock funds represented by allocation of Equity Shares from ASBA Accounts into the Public Offer Account.

### **GENERAL INSTRUCTIONS**

#### **Do's:**

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application.
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account or UPI ID linked Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process the SCSBs where the Applicant has a bank account or a UPI ID linked Bank Account, the Registered Broker (at the Broker Centre's), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Instruct your respective Banks to release the funds blocked in the ASBA Account/UPI ID linked Bank Account under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder.
- Ensure that you have mentioned the correct bank account number in the Application Form and in case of Retail Individual Applicants applying through UPI Channel, ensure that you have mentioned the correct UPI ID;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- Ensure that you have correctly signed the authorization/ undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account/ UPI ID linked Bank Account, as the case may be, equivalent to the Application Amount mentioned in the Application Form;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not use third party bank account or third-party UPI ID linked Bank Account for making the Application;
- Do not apply on another Application Form after you have submitted an application to the Designated Intermediary;

- Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs.2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a colour prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Further, helpline details of the Lead Manager pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 are set forth in the table below:

Name of the Lead Manager	Helpline (email)	Telephone
First Overseas Capital Limited	investorcomplaints@focl.in	+91 22 4050 9999

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Stock Exchange, along with the Lead Managers and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. The allotment of Equity Shares to applicants other than to the Retail Individual Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

#### **Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the 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. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchange, who may not be

syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the website of 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 Application forms in Public Issue with effect from January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the website of NSE i.e. [www.nseindia.com](http://www.nseindia.com)

For details of instruction in relation to the Application Form, Applicants may refer to the relevant section of GID.

#### **Applicant's Depository Account and Bank Details**

Please note that, providing bank account details, PAN Nos, UPI ID (if applicable), Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### **Submission of Application Form**

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

#### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

#### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure 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 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 SME Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 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 shall be made within three (3) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) 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.

### **Impersonation**

*Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

*"Any person who—*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of Companies Act, 2013 and shall be treated as Fraud."*

### **Mode of Refunds**

a) **In case of ASBA Applicants:** Within 6 (six) Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application, for any excess amount blocked on Application, for any ASBA application withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer

b) In the case of Applications from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

c) In case of Other Investors: Within six Working Days of the Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Offer may obtain from the depositories, the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in their Investor Application Forms for refunds. Accordingly, Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

### **Mode of making refunds for Applicants other than ASBA Applicants**

The payment of refund, if any, may be done through various modes as mentioned below:

(i) NECS - Payment of refund may be done through NECS for Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder as obtained from the Depository;

(ii) NEFT - Payment of refund may be undertaken through NEFT wherever the branch of the Bidders' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(iii) Direct Credit – Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

(iv) RTGS – Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the bidder, DP ID and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders account details, IFSC code, MICR code and occupation (hereinafter referred to as “Demographic Details”). The bank account details for would be used giving refunds. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at their sole risk and neither the Lead Manager or the Registrar to the Issue or the Escrow Collection Bank nor the Company shall have any responsibility and undertake any liability for the same;

(v) Please note that refunds, on account of our Company not receiving the minimum subscription, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank. For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Bidders may refer to Prospectus.

### **INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer shall make the Allotment within the period prescribed by SEBI. The Issuer shall pay interest at the rate of 15% per annum if Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within such times as maybe specified by SEBI.

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 in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

### **Undertakings by our Company**

We undertake as follows:

- i. That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- ii. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within the period prescribed by the Board;
- iii. 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;
- iv. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- v. That no further Issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.;
- vi. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
- vii. That if our Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;

viii. If our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Offer;

#### **UTILIZATION OF THE ISSUE PROCEEDS**

The Board of Directors of our Company certifies that:

1. all monies received out of the Issue shall be 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 Offer Proceeds remains unutilised, under an appropriate separate head in the 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 an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and

## **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 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 the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as Department of Industrial Policy and Promotion*) (“DPIIT”), issued the FDI Policy, which is effect from October 15, 2020, which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

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 FDI 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.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-Debt Instruments Rules, 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, will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEMA Non-Debt Instruments 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 of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Rules. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Issue Period.

The above information is given for the benefit of the Applicants. Our Company and the 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 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 THE ARTICLES OF ASSOCIATION

*Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:*

### SHARE CAPITAL AND VARIATION OF RIGHTS

4. The Authorised Share Capital of the Company shall be such amounts and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital in accordance with the Company's regulations and legislative provisions for the time being in force in that behalf with the powers to divide the Share Capital, whether original, increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such manner as may for the time being be provided by the Regulations of the Company and allowed by law.
- 4.1 The company shall have power, subject to and in accordance with applicable provisions of the Act, to issue further shares and securities, as it may consider appropriate to -
  - (i) person who, at the date of offer, are holders of the equity shares of the company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
  - (ii) employees under any scheme of employees' stock option;
  - (iii) any person, whether or not those persons include the persons referred to in sub article (i) and (ii) above.

Subject to and in accordance with the Companies Act 2013 and the rules made thereunder, a further issue of shares including by way of preferential offer or private placement, may be made in the manner and on terms and conditions including imposition of any restrictions on such shares, as determined by the Board or any of its Committee, in case the power is delegated to such Committee.

5. The business of the Company may be commenced soon after the incorporation of the Company as and when the Directors shall think fit notwithstanding that part of the shares have been allotted.
6. The shares shall be under the discretionary control of the Directors who may allot or otherwise dispose of the same.
7. The Company in its general meeting may decide to issue fully paid up bonus shares to the members if so recommended by the Board of Directors.
8. The certificate for shares registered in the name of two or more persons shall be delivered to the first person named in the register and this shall be sufficient delivery to all such holders.
9. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,
  - (a) One certificate for all his shares without payment of any charges; or
  - (b) Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
  - (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
  - (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

10. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
10. (ii) The provisions of Articles (9) and (10) shall mutatis mutandis apply to debentures of the Company.
11. 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.
12. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
12. (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
12. (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
13. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
13. (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
14. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
15. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

#### **LIEN**

16. The Company shall have a first and paramount lien upon all the shares (not being a fully paid up share) registered in the name of such member (whether solely or jointly with others) and upon the proceeds of sale thereof for his debts, liabilities and engagements (whether presently payable or not) solely or jointly with any other person, to or with the Company, whether the period for the payment, fulfillment or discharge thereof shall have actually alien or not and such lien shall extend to all dividends, from time to time, declared in respect of shares, subject to section 124 and bonuses declared from time to time in respect of such shares under the Act. The Board of Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this clause.

#### **CALLS ON SHARES AND TRANSFER OF SHARES**

17. The Directors are empowered to make calls on members of any amount payable at a time fixed by them.

18. Any member desiring to sell any of his shares must notify the Board of Directors of the number of shares, the fair value and the name of the proposed transferee and the Board must offer to the other shareholders the shares offered at the fair value and if the offer is accepted, the shares shall be transferred to the acceptor and if the shares or any of them, are not so accepted within one month from the date of notice to the Board the members proposing transfers shall, at any time within three months afterwards, be at liberty, subject to Articles 19 and 20 hereof, to sell and transfer the shares to any persons at the same or at higher price. In case of any dispute, regarding the fair value of the share it shall be decided and fixed by the Company's Auditor whose decision shall be final.
19. No transfer of shares shall be made or registered without the previous sanction of the Directors, except when the transfer is made by any member of the Company to another member or to a member's wife or child or children or his heirs and the Directors may decline to give such sanction without assigning any reason subject to Section 58 and 59 of the Act.
20. The Directors may refuse to register any transfer of shares (1) where the Company has a lien on the shares or (2) where the shares are not fully paid up shares, subject to Section 58 and 59 of the Companies Act, 2013.
21. Subject to Section 58 and 59 of the Act, the Directors may in their discretion, without assigning any reason, refuse to register the transfer of any shares to any person, whom it shall, in their opinion, be undesirable in the interest of the Company to admit to membership.
22. At the death of any member his or her shares be recognized as the property of his or her heirs upon production of reasonable evidence as may be required by the Board of Directors.
23. The instrument of transfer must be accompanied by the certificates of shares.

#### **TRANSMISSION OF SHARES**

24. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.  
(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
25. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either  
(a) To be registered himself as holder of the share; or  
(b) To make such transfer of the share as the deceased or insolvent member could have made.  
(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
26. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.  
(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.  
(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
27. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would have been entitled if he were the registered holder of

the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

### **FORFEITURE OF SHARES**

28. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
29. The notice aforesaid shall:
  - (a) Name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) State that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
30. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
31. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.  
(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
32. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.  
(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
33. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.  
(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.  
(iii) The transferee shall thereupon be registered as the holder of the share.  
(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
34. 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.

### **ALTERATION OF CAPITAL**

35. 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 there solution.
36. Subject to the provisions of section 61, the company may, by ordinary resolution,
  - (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) Convert all or any of its fully paid-up shares into stock, and reconver 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 that 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.
37. Where shares are converted into stock
  - (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
  - (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
  - (c) Such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.
38. 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.

#### **CAPITALISATION OF PROFITS**

39. (i) The Company in general meeting may, upon the recommendation of the Board, Resolve:
  - (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii) either in or towards
  - (a) Paying up any amounts for the time being unpaid on any shares held by such members respectively;

- (b) Paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- (c) Partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
- (d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
- (e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

40. (i) 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 capitalised thereby, and all allotments and issues of fully paid shares if any; and
- (b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power

- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and
- (b) to authorise any person to enter, on behalf of all the members entitled there to, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

#### **BUY-BACK OF SHARES**

41. 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.

#### **GENERAL MEETINGS**

42. All general meetings other than annual general meeting shall be called extraordinary general meeting.

43. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

#### **PROCEEDINGS AT GENERAL MEETINGS**

44. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

45. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

46. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

47. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
48. (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.  
(i) 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.  
(ii) 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.

#### **VOTING RIGHTS AND PROXY**

49. Subject to any rights or restrictions for the time being attached to any class or classes of shares  
(a) on a show of hands, every member present in person shall have one vote; and  
(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
50. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
51. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.  
(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
52. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
53. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
54. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
55. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.  
(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
56. 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.
57. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

58. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### **BOARD OF DIRECTORS**

59. The number of Directors shall not be less than two and not more than fifteen.

60. The following shall be the First Directors of the Company.

**1. Mr. Aamer Ahmed Farid**  
**2. Mr. Ali Mohamed Ali Bagash**  
**3. Mr. Hani Ahmed Farid**

61. The Directors may from time to time, appoint one or more of their body to the office of the Managing Director for one or more of the divisions of the business carried on by the Company and to enter into agreement with him in such terms and conditions as they may deem fit.

62. Subject to the provisions of section 149, the Board of Directors, at any time and from time to time, to appoint any person as additional Director in addition to the existing Director so that the total number of Directors shall not at any time exceed the number fixed for Directors in these articles. Any Directors so appointed shall hold office only until the next following Annual General Meeting but shall be eligible thereof for election as Director.

63. The Managing Director may be paid such remuneration as may, from time to time, be determined by the Board and such remuneration as may be fixed by way of salary or commission or participation in profits or partly in one way or partly in another subject to the provisions of the Companies Act, 2013.

64. The quorum necessary for the transaction, of the business of the Board meeting subject to Section 174 of the Act, shall be one third of the total strength or at least two whichever is higher. The participation of the directors by video conferencing or by other audio visual means shall also be counted for the purpose of quorum.

65. Subject to section 175 of the Act, a resolution in writing signed by the Director except a resolution which the Act specifically required it to be passed at a Board meeting shall be effective for all purposes as a resolution passed at a meeting of Directors duly called, held and constituted.

### **PROCEEDINGS OF THE BOARD**

66. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

67. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

68. 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.

69. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their members to be Chairperson of the meeting.
70. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
71. (i) A committee may elect a Chairperson of its meetings.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
72. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
73. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
74. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

#### **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

75. 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.
76. 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.

#### **BORROWING POWERS**

77. Subject to section 73 and 179 of the Companies Act. 2013, and Regulations made there under and Directions issued by the RBI the directors may, from time to time, raise or borrow any sums of money for and on behalf of the Company from the member or other persons, companies or banks or they may themselves advance money to the company on such interest as may be approved by the Directors.

78. The Directors may, from time to time, secure the payment of such money in such manner and upon such terms and conditions in all respects as they deem fit and in particular by the issue of bonds or debentures or by pledge, mortgage, charge or any other security on all or any properties of the Company (both present and future) including its uncalled capital for the time being.

### **OPERATION OF BANK ACCOUNTS**

79. The Directors shall have the power to open bank accounts to sign cheques on behalf of the Company and to operate all banking accounts of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, hundies and bills or may authorise any other person or persons to exercise such powers.

### **DIVIDENDS AND RESERVE**

80. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

81. 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.

82.(i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

83. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

84. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

85. (i) Any dividend, interest or other monies payable in cash in respect of shares maybe paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

86. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

87. 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.

88. No dividend shall bear interest against the company.

### **ACCOUNTS**

89. (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 regulation the accounts and books of the Company or any of them shall be open to the inspection of members (not being Director).

(b) No members (not being Director) shall have any right of inspecting any accounts or books of account of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

90. The Directors shall in all respect comply with the provisions of Section 128, 134, 137, 206, 207 and 208, of the Act, and Profit and Loss Account, Balance Sheet and Auditors Report and every other document required by law to be annexed or attached as the case may be, to the Balance Sheet, to be sent to every member and debenture holder of the Company and every trustee for the holders of the debentures issued by the Company at least twenty one days before the date of Annual general meeting of the Company at which they are to be laid, subject to the provisions of section 136 of the Act.

### **AUDIT**

91. (a) The first Auditor of the Company shall be appointed by the Board of Directors within one month from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.

(b) At the first Annual General Meeting the Company shall appoint an Auditor to hold Office from the conclusion of the Meeting till the conclusion of its sixth Annual General Meeting and thereafter till the conclusion of every sixth meeting.

(c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.

### **WINDING UP**

92. Winding up when necessary will be done in accordance with the requirements of the Companies Act, 2013 or statutory modification thereto.

### **SECURITY**

93. Subject to the provisions of law of land and the act, every manager, auditor, trustee, member of a committee, officer, servant, agent, accountant or other persons employed in the business of the company shall, if so required by the Board of Directors before entering upon his duties, sign declaration, pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of account with individuals and in matters relating thereto and shall by such declaration pledge himself, not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the directors or by any court of law and except so far as may be necessary in order to comply with any of the provisions in these presents.

### **INDEMNITY**

94. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

## **SECTION X – OTHER INFORMATION MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Office No 302, Express Building, 14-E Road, Churchgate, Mumbai – 400020, Maharashtra, India, from 10.00 a.m. to 5.00 p.m. on working days from the date of the Prospectus until the Issue Closing Date. They will also be available at [www.ducol.com](http://www.ducol.com) from date of the Prospectus until the Bid/Issue Closing Date.

### **Material Contracts**

1. Memorandum of Understanding dated November 15, 2022 between our Company and the Lead Manager.
2. Agreement between dated November 14, 2022, between our Company and the Registrar to the Issue.
3. Underwriting Agreement dated December 20, 2022 between our Company and Underwriter.
4. Market Making Agreement dated December 20, 2022 between our Company, Lead Manager and Market Maker.
5. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated May 27, 2022.
6. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated May 26, 2022.
7. Banker to the Issue and Sponsor Bank Agreement dated December 20, 2022 between our Company, the Lead Manager, Banker to the Issue and Registrar to the Issue.

### **Material Documents**

1. Certificate of Incorporation of our Company in the name of “*Ducol Organics & Colours Private Limited*” dated June 16, 1994 issued by the Registrar of Companies, Maharashtra.
2. Fresh Certificate of Incorporation consequent upon conversion in the name of ‘*Ducol Organics And Colours Limited*’ dated July 1, 2022 issued by the Registrar of Companies, Maharashtra.
3. Certified true copy of the Memorandum and Articles of Association of our Company, as amended.
4. Certified true copy of the resolution passed at the meeting of the Board of Directors dated October 27, 2022 authorizing the Issue.
5. Certified true copy of the special resolution of the Shareholders passed at the Extraordinary General Meeting dated November 14, 2022 authorizing the Issue.
6. Statement of Tax Benefits dated November 15, 2022 issued by our Statutory Auditor, M/s. Choudhary Choudhary & Co., Chartered Accountants.
7. Report of our Statutory Auditor, M/s. Choudhary Choudhary & Co., Chartered Accountants dated November 15, 2022, on the Restated Financial Statements included in this Prospectus.
8. Deployment Certificate from our Statutory Auditor, M/s. Choudhary Choudhary & Co., Chartered Accountants dated November 15, 2022.
9. Copies of audited financial statements of our Company for 6 months period ended September 30, 2022, Fiscal 2020, 2021 and 2022.
10. Certified true copy of the resolution dated September 23, 2022 passed at the AGM, appointing Aamer Ahmed Farid as the Managing Director of our Company.

11. Certified true copy of the resolution dated September 23, 2022 passed at the AGM, appointing Hani Ahmed Farid as the Whole time Director of our Company.
12. Consents of Directors, Chief Financial Officer, Company Secretary and Compliance Officer, Statutory Auditor, Legal Advisor to the Issue, Banker to the Company, the Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Bankers to the Issue, to act in their respective capacities.
13. Due Diligence Certificate dated November 16, 2022 from the Lead Manager to NSE.
14. Due Diligence Certificate dated December 29, 2022 from the Lead Manager to SEBI.
15. Copy of in-principle approval from NSE *vide* letter dated December 27, 2022 to use the name of NSE in this document for listing of Equity Shares on SME Platform of NSE.

Any of the contracts or documents mentioned in the Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We, hereby declare that all the relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013 the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements are true and correct.

**Signed by all the Directors of Ducol Organics And Colours Limited**

Name and designation	Signature
<b>Aamer Ahmed Farid</b> <i>Managing Director</i>	Sd/-
<b>Hani Ahmed Farid</b> <i>Whole time Director</i>	Sd/-
<b>Ratnakar Venkappa Rai</b> <i>Independent Director</i>	Sd/-
<b>Shivani S. Tiwari</b> <i>Independent Director</i>	Sd/-
<b>Abhishek Agrawal</b> <i>Independent Director</i>	Sd/-

**Signed by the – Chief Financial Officer**

**Manisha Agrawal** Sd/-

Place: Mumbai

Date: December 29, 2022