



Draft Prospectus

Dated: July 14, 2022

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



Fixed Price Issue



DIPNA PHARMACHEM LTD.

DIPNA PHARMACHEM LIMITED

CIN: U24100GJ2011PLC066400

REGISTER OFFICE		CONTACT PERSON	
A/211, Siddhi Vinayak Complex, Near D.A.V. School, Makarba, Ahmedabad – 380 055, Gujarat, India		Ms. Khushboo Jethaliya, Company Secretary and Compliance Officer	
EMAIL	TELEPHONE NO.	WEBSITE	
<a href="mailto:info@dipnapharmachem.com">info@dipnapharmachem.com</a>	Tel No.: +91-9898066121	<a href="http://www.dipnapharmachem.com">www.dipnapharmachem.com</a>	
OUR PROMOTERS OF THE COMPANY			
Mr. Keyur Dipakkumar Shah			
Type	Fresh Issue Size (₹In Lakhs)	Eligibility 229(1) / 229(2) & Share Reservation among NII &RII	
Fresh Issue	₹1520.76Lakhs	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 Crores and upto ₹25.00 Crore	
RISK IN RELATION TO THE FIRST ISSUE			
This being the first public issue of our company, there has been no formal market for the securities of our company. The face value of the shares is ₹10.00 per equity shares and the issue price is 3.80 times of the face value. The issue price (is determined by our company in consultation with the lead manager) as stated in the chapter titled on “Basis for Issue Price” beginning on page no. 54 of this Draft 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 and/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 our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page no.17 of this Draft Prospectus.			
ISSUER’S ABSOLUTE RESPONSIBILITY			
The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.			
LISTING			
The Equity Shares offered through the Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited (“BSE SME”). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In Principal Approval Letter dated [●] from BSE Limited(BSE) for using its name in this offer document for listing of our shares on the SME Platform of BSE Limited. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited(“BSE”).			
LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE	
	<b>INTERACTIVE FINANCIAL SERVICES LIMITED</b> <b>Address:</b> 612, 6th Floor, Shree Balaji Heights, Kokilaben Vyas Marg, Ellisbridge, Ahmedabad – 380 009, Gujarat, India <b>Tel No.:</b> +91-9898055647 <b>Web Site :</b> <a href="http://www.ifinservices.in">www.ifinservices.in</a> <b>Email :</b> <a href="mailto:mbd@ifinservices.in">mbd@ifinservices.in</a> <b>Investor Grievance Email:</b> <a href="mailto:info@ifinservices.in">info@ifinservices.in</a> <b>Contact Person:</b> Mr. Pradip Sandhir <b>SEBI Reg. No.:</b> INM000012856		<b>BIGSHARE SERVICES PRIVATE LIMITED</b> <b>Address:</b> Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400093 <b>Tel No.:</b> +91 22-62638200 <b>Fax No</b> +91 22-62638299 <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>E-Mail:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Investor Grievance Email:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> <b>Contact Person:</b> Mr. Aniket Chindarkar <b>SEBI Reg. No.:</b> INR000001385
ISSUEPROGRAMME			
ISSUE OPENS ON: [●]		ISSUE CLOSES ON:[●]	



**DIPNA PHARMACHEM LTD.**  
**DIPNA PHARMACHEM LIMITED**  
**CIN: U24100GJ2011PLC066400**

Our Company was originally incorporated as “Dipna Pharmachem Private Limited” under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated July 19, 2011 bearing Corporate Identification Number U24100GJ2011PTC066400 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Subsequently, the name of company was changed to “Dipna Pharmachem Private Limited” and a fresh certificate of incorporation was issued by Registrar of Companies, Gujarat, Dadra and Nagar Havelli on March 29, 2012. After that, our Company was converted from Private limited to Public Limited company pursuant to a special resolution passed by our shareholders at the EGM held on May 13, 2022 and consequently the name of our Company was changed as “Dipna Pharmachem Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Ahmedabad dated May 25, 2022. For further details, please refer the chapter titled “History and Certain Corporate Matters” beginning on page 78 of this Draft Prospectus. The CIN of the Company is U24100GJ2011PLC066400.

**Registered office:** A/211, Siddhi Vinayak Complex, Near D.A.V. School, Makarba, Ahmedabad – 380 055, Gujarat, India  
**Tel No.:** +91-9898066121; **Website:** [www.dipnapharmachem.com](http://www.dipnapharmachem.com); **E-Mail:** [info@dipnapharmachem.com](mailto:info@dipnapharmachem.com)  
**Contact Person:** Ms. Khushboo Jethaliya, Company Secretary and Compliance Officer

**PROMOTER OF THE COMPANY: MR. KEYUR DIPAKKUMAR SHAH**

**THE ISSUE**

**INITIAL PUBLIC ISSUE OF 40,02,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH OF DIPNA PHARMACHEM LIMITED (“DPL” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹38/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 28/- PER EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING TO ₹ 1520.76 LACS (“THE ISSUE”), OF WHICH 2,04,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH WILL FOR CASH AT A PRICE OF ₹ 38/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 28/- PER EQUITY SHARE AGGREGATING TO ₹ 77.52 LACS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF 37,98,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF ₹ 38/- PER EQUITY SHARE AGGREGATING TO ₹ 1443.24 LACS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 33.43% AND 31.73% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE NO. 136 OF THIS DRAFT PROSPECTUS.**

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS 3.8 TIMES OF THE FACE VALUE**

This issue is being made through Fixed Price Process in terms of Chapter IX of the Securities And Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (“SEBI ICDR Regulations”) and allocation in the net issue to the public will be made in terms of regulation 253 of the SEBI ICDR Regulations. In terms of the Regulation 19(2)(B)(I) of the Securities Contracts (Regulations) Rules, 1957, as amended ( the “SCRR”), the issue is being made for at least 25% of the post-paid up Share capital of our Company. All the bidders, shall participate in the issue through the Application Supported by Blocked Amount (“ASBA”) process by providing details of their respective bank account(including UPIID for RIs using UPI Mechanism) wherein the bid amount will be blocked by the SCSBs or under the UPI mechanism, as the case may be, to the extent of respective Bid amounts. For details Please refer to chapter titled “Issue Procedure” beginning on Page 145 of this Draft Prospectus.

All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process providing details about the bank account and UPI ID in case of RII’s, if applicable, in which the application amount shall be blocked by the Self-Certified Syndicate Banks (“SCSBs”) or under UPI Mechanism as the case may be. For details in this regard, specific attention is invited to chapter titled “Issue Procedure” on page 145 of this Draft Prospectus.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first Public Issue of our Company, there has been no formal market for the securities of our Company. The face value of the shares is ₹ 10/- per Equity Shares and the Issue price is 3.8 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager) as stated in the chapter titled on “Basis for Issue Price” beginning on page no. 54 of this Draft 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 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 offering. 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 offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page no.17 of this Draft Prospectus.

**ISSUER’S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The Equity Shares offered through the Draft Prospectus are proposed to be listed on the BSESME Platform. In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an approval letter dated [●] from BSE for using its name in this offer document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited (“BSE”).

**LEAD MANAGER**



**INTERACTIVE FINANCIAL SERVICES LIMITED**  
**Address:** 612, 6th Floor, Shree Balaji Heights, Kokilaben Vyas Marg, Ellisbridge, Ahmedabad – 380 009, Gujarat, India  
**Tel No.:** +91-9898055647  
**Web Site :** [www.ifinservices.in](http://www.ifinservices.in)  
**Email :** [mbd@ifinservices.in](mailto:mbd@ifinservices.in)  
**Investor Grievance Email:** [info@ifinservices.in](mailto:info@ifinservices.in)  
**Contact Person:** Mr. Pradip Sandhir  
**SEBI Reg. No.:** INM000012856

**REGISTRAR TO THE ISSUE**



**BIGSHARE SERVICES PRIVATE LIMITED**  
**Address:** Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400093  
**Tel No.:** +91 22-62638200  
**Fax No** +91 22-62638299  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**E-Mail:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Investor Grievance Email:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
**Contact Person:** Mr. Aniket Chindarkar  
**SEBI Reg. No.:** INR000001385

**ISSUE PROGRAMME**

**ISSUE OPENS ON: [●]**

**ISSUE CLOSES ON:[●]**

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulations, rules, guidelines or policies shall be to such legislation, act, regulations, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Prospectus, but not defined herein shall have the meaning ascribed to such terms under SEBI ICDR Regulations, 2018, the Companies Act, 2013 the SCRA, the Depositories Act, 1996 and the rules and regulations made there under.

Notwithstanding the foregoing, the terms not defined but used in the chapters titled “Statement of Tax Benefits”, “Restated Financial Statements”, “Outstanding Litigation and Material Developments” and section titled “Main Provisions of Articles of Association” beginning on page nos. 57, 94, 121 and 176, respectively, shall have the meanings ascribed to such terms in the respective sections.

#### GENERAL TERMS

Term	Description
“DPL”, “Dipna”, “our Company”, “we”, “us”, “our”, “the Company”, “the Issuer Company” or “the Issuer”	Dipna Pharmachem Limited, a public limited company incorporated under the Companies Act, 1956 and having Registered Office at A/211, Siddhi Vinayak Complex, Near D.A.V. School, Makarba, Ahmedabad – 380 055, Gujarat, India.
Promoter	Mr. Keyur Shah
Promoter Group	Companies, individuals and entities (other than companies) as defined under Regulation 2 sub-regulation (pp) of the SEBI ICDR Regulations, 2018.
“you”, “your” or “yours”	Prospective Investors in this Issue

#### COMPANY RELATED TERMS

Term	Description
Articles / Articles of Association/AOA	Articles of Association of our Company as amended from time to time
Auditors of the Company	The Statutory auditors of our Company, being M/s B.S. Jain & Co., Chartered Accountants.
Audit Committee	Audit Committee of our Company constituted in accordance Section 177 of the Companies Act, 2013 and as described in the chapter titled “Our Management” beginning on page 81 of this Draft Prospectus.
Board of Directors / Board	The Board of Directors of our Company or a committee constituted thereof
Company Secretary and Compliance Officer	The Company Secretary of our Company, being Ms. Khushboo Jethaliya.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company, being Mr. Keyur Parmar.
Act or Companies Act	Companies Act, 1956 and/ or the Companies Act, 2013, as amended from time to time.
CIN	Corporate Identification Number
CMD	Chairman and Managing Director
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s)	Director(s) of Dipna Pharmachem Limited unless otherwise specified
Equity Shares	Equity Shares of our Company having Face Value of ₹ 10 each unless otherwise specified in the context thereof
Equity Shareholders / Shareholders	Persons /entities holding Equity Shares of our Company

ED	Executive Director
Fresh Issue	The fresh issue of 40,02,000 Equity Shares at a price of Rs.38/- per equity share aggregating to Rs. 1520.76 lakhs to be issued by our Company as part of the Offer, in terms of the Draft Prospectus.
Group Companies	Companies (other than our Corporate Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and as disclosed in “Financial Information of Our Group Companies” on page 92 of this Draft Prospectus
Independent Director	Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI Listing Regulations. For details of the Independent Directors, please refer to chapter titled “Our Management” beginning on page 81 of this Draft Prospectus
Indian GAAP	Generally Accepted Accounting Principles in India
ISIN	International Securities Identification Number is INE0MC401013
Key Managerial Personnel / Key Managerial Employees	The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the section titled “Our Management” on page no. 81 of this Draft Prospectus
MD	Managing Director
MOA/ Memorandum / Memorandum of Association	Memorandum of Association of our Company as amended from time to time
Nomination & Remuneration Committee	The Nomination and Remuneration Committee of our Board described in the chapter titled “Our Management” on page 81 of this Draft Prospectus.
Registered Office	The Registered office of our Company, located at A/211, Siddhi Vinayak Complex, Near D.A.V. School, Makarba, Ahmedabad – 380 055, Gujarat, India
ROC / Registrar of Companies	Registrar of Companies, Ahmedabad.
Restated Financial Statements	The restated audited financial statements of our Company for the Financial Years ended March 31, 2020, 2021 and March 31, 2022 which comprises of the restated audited balance sheet, restated audited statement of profit and loss and the restated audited cash flow statement, together with the annexures and notes thereto disclosed in chapter titled “Restated Financial Statements” on page 94 of this Draft Prospectus
Peer Review Auditor	Independent Auditor having a valid Peer Review certificate in our case being M/s Bhagat & Co., Chartered Accountants
PLC	Public Limited Company
PTC	Private Limited Company
Stakeholders’ Relationship Committee	The Stakeholders Relationship Committee of the Board of Directors constituted as the Company’s Stakeholders’ Relationship Committee in accordance with Section 178(5) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and described in the chapter titled “Our Management” on page 81 of this Draft Prospectus.
WTD	Whole Time Director

## ISSUE RELATED TERMS

Term	Description
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form
Acknowledgement Slip	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.
Applicant	Any prospective investor who makes an application for Equity Shares in terms of the Draft Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company
Application Lot	3,000 Equity Shares and in multiples thereof

Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of the Draft Prospectus / Prospectus
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by applicants to make an application authorising a SCSB to block the application amount in the ASBA Account maintained with the SCSB.
ASBA Account	An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form.
Allot / Allotment / Allotted / Allotment of Equity Shares	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.
Allottee(s)	The successful applicant to whom the Equity Shares are being / have been issued
Allotment Advice	Note or advice or intimation of Allotment sent to each successful applicant who have been or are to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date	Date on which the Allotment is made
Basis of Allotment	The basis on which equity shares will be allotted to successful applicants under the Issue and which is described in the section "Issue Procedure - Basis of allotment" on page no. 170 of this Draft Prospectus
Bankers to our Company	IndusInd Bank Limited
Banker to the Issue / Refund Banker / Public Issue Bank	ICICI Bank Limited
Business Day	Any day on which commercial banks are open for the business
CAN /Confirmation of Allocation Note	A note or advice or intimation sent to Investors, who have been allotted the Equity Shares, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client Identification Number of the Applicant's Beneficiary Account
Collection Centers	Broker Centers notified by Stock Exchange where bidders can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers, are available on the website of the BSE Limited.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Application Forms at the Designated CDP Locations in terms of circular no.GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches/Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate Application Forms by the ASBA Bidders with the Registrar to the Issue and 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 demographic details of the Applicant such as their address, PAN, occupation, bank account details and UPI ID (as applicable).
Depositories	National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) or any other Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depository Participant/DP	A depository participant registered with SEBI under the Depositories Act
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a> .
Designated Date	The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Prospectus, following which the Board may Allot Equity Shares to successful Applicant in the Issue

Designated Intermediaries	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Issue
Designated Market Maker	Sernet Financial Services Private Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations
Designated RTA Locations	Such locations of the RTAs where applicant can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.bseindia.com
Designated SCSB Branches	Such Branches of the SCSBs which shall collect the ASBA Forms used by the applicant, a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>
Designated Stock Exchange	SME Exchange of BSE Limited (“BSE SME”) (BSE)
Draft Prospectus	This Draft Prospectus dated July 14, 2022 filled with the SME Platform of BSE, prepared and issued by our Company in accordance with SEBI (ICDR) Regulations, 2018.
Eligible NRI	NRI from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the Issue and in relation to whom the Draft Prospectus /Prospectus constitutes an invitation to subscribe to Equity Shares issued thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under SEBI FPI Regulations
Escrow Account(s)	Account opened with the Escrow Collection Bank(s) and in whose favour the Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Applicant Amount
Escrow Agreement	An agreement to be entered among our Company the Registrar to the Issue, the Escrow Collection Bank(s), Refund Bank(s) and the Lead Manager for the collection of Application Amounts and where applicable, for remitting funds, on the terms and conditions thereof.
Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Accounts will be opened, in this case being ICICI Bank Limited.
First Applicant	Applicant whose name appears first in the Application Form in case of a joint application form and whose name shall also appear as the first holder of the beneficiary account held in joint names or in any revisions thereof
Foreign Portfolio Investor /FPIs	Foreign Portfolio Investor as defined under SEBI FPI Regulations
General Information Document/ GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, notified by EBI, suitably modified and included in the chapter titled “Issue Procedure” on page 145 of this Draft Prospectus
Issue Agreement	The agreement dated July 01, 2022 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Opening Date	The date on which the Issue opens for subscription
Issue Closing date	The date on which the Issue closes for subscription.
Issue Period	The periods between the Issue Opening Date and the Issue Closing Date (inclusive of such date and the Issue Opening Date) during which prospective bidders can submit their Application Forms, inclusive of any revision thereof. Provided however that the applications shall be kept open for a minimum of three (3) Working Days for all categories of bidders.
IPO	Initial Public Offering
Issue / Issue Size /	The Public Issue of 40,02,000 Equity Shares of Face Value of ₹ 10/- each at ₹38/-

Public Issue	(including premium of ₹28/-) per Equity Share aggregating to ₹ 1520.76 Lacs by Dipna Pharmachem Limited.
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being ₹ 38/-
Issue Proceeds	The proceeds from the Issue based on the total number of equity shares allotted under the issue
LM / Lead Manager	Lead Manager to the Issue, in this case being Interactive Financial Services Limited
Listing Agreement	The Listing Agreement to be signed between our Company and SME Platform of BSE Limited (“BSE SME”)
Market Making Agreement	The Market Making Agreement dated July 01, 2022 between our Company, Lead Manager and Market Maker
Market Maker Reservation Portion	The reserved portion of 2,04,000 Equity Shares of face value of ₹10.00/-each fully paid-up for cash at a price of ₹ 38.00/- per Equity Share including a share premium of ₹ 28/- per Equity Share aggregating to ₹ 77.52 Lacs for the Market Maker in this Issue
MSME	Micro Small and Medium Enterprises
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to SEBI (Mutual Funds)Regulations, 1996, as amended from time to time
NBFC	Non- Banking Financial Companies
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 37,98,000Equity Shares of ₹ 10 each at ₹38/- per Equity Share aggregating to ₹1443.24 Lacs by Dipna Pharmachem Limited.
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer to chapter titled “Objects of the Issue” on page 49 of this Draft Prospectus
Non-Institutional Bidders / Non-Institutional Investor / NIB/ NII	All Applicants (including Eligible NRIs), who are not QIBs or Retail Individual Bidders and who have applied for Equity Shares for an amount of more than ₹ 2,00,000
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership firm, limited liability partnership firm, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context may require.
Prospectus	The Prospectus dated [•] issued in accordance with Companies Act filed with the SME Platform of BSE Limited (“BSE SME”) under SEBI (ICDR)Regulations 2018.
Public Issue Account	An Account of the Company under Section 40 of the Companies Act, 2013 where the funds shall be transferred by the SCSBs from bank accounts of the ASBA Investors.
Qualified Institutional Buyers / QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of SEBI ICDR Regulations
Refund Account	Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount, if any, shall be made.
Refund through electronic transfer of funds	Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable
Registered Brokers	Stock brokers registered with SEBI as trading members (except Syndicate/sub-Syndicate Members) who hold valid membership of BSE Limited having right to trade in stocks listed on Stock Exchange and eligible to procure Application Forms in terms of SEBI circular no. CIR/CFD/14/2012dated October 4, 2012
Registrar Agreement	The agreement dated July 01, 2022 entered between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar pertaining to the Issue.
Registrar and Share Transfer Agents or RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI



Registrar / Registrar to the Issue	Registrar to the Issue being Bigshare Services Private Limited
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs 2,00,000.
Revision Form	The form used by the Applicant, to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s) QIB Applicant and Non-Institutional Applicant are not allowed to lower their Application Forms (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Bidders can revise their Application Forms during the Issue Period and withdraw their Application Forms until Issue Closing Date
SCSB	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html</a> Intermediaries.
SME Platform of BSE	The SME platform of BSE, approved by SEBI as an SME Exchange for listing of equity shares issued under Chapter IX of the SEBI ICDR Regulations.
Sponsor Bank	A Banker to the Offer which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the LM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being ICICI Bank Limited.
Syndicate Member	Intermediaries registered with the SEBI eligible to act as syndicate member and who is permitted to carry on the activity as an underwriter.
TRS / Transaction Registration Slip	The slip or document issued by the Designated Intermediary (only on demand), to the Applicant, as proof of registration of the Application Form
UPI	Unified Payments Interface (UPI) is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank a/c.
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/OW/P/2021/2481/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID Created on the UPI for single-window mobile payment system developed by NPCI.
UPI Mandate Request	A request (intimating the RIB 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 RIB 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
Underwriters	Underwriters to the issue are Interactive Financial Services Limited and Sernet Financial Services Private Limited.
Underwriting Agreement	The Agreement entered into between the Underwriters and our Company dated July 01, 2022.
U.S Securities Act	U.S Securities Act of 1933, as amended
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations.
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulations, working days means, all days on which commercial banks in the city as specified in the Prospectus are open for business. 1. However, in respect of announcement of price band and Bid/ Offer period, working

	<p>day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the Prospectus are open for business.</p> <p>2. In respect to the time period between the Bid/ Offer closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the stock exchange, excluding Sundays and bank holidays in accordance with circular issued by SEBI.</p>
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#### TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
AIIMS	All India Institute of Medical Sciences
API	Active Pharmaceuticals Ingredients
ARVs	Antiretrovirals
CDSCO	Central Drugs Standard Control Organisation
COD	Chemical Oxygen Demand
DCGI	Drugs Controller General of India
DIPP	Department of Industrial Policy and Promotion
FDA	Food and Drug Administration
FPP	Finished Pharmaceutical Product
HIV	Human Immunodeficiency Virus
IAP	Indian Academy of Pediatrics
IP	Indian pharmacopoeia
IPA	Indian Pharmaceutical Association
ISPE	International Society for Pharmaceutical Engineering
IV	(Intravenous)
OHSAS	Occupational Health and Safety Assessment Series
PM	Packing Material
RM	Raw Material
WHO	World Health Organization

#### CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

Term	Description
A/c	Account
Act or Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as amended from time to time
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds as defined in and registered with SEBI under SEBI AIF Regulations
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
AY	Assessment Year
Bn	Billion
BG	Bank Guarantee
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation Allocation Note
CARO	Companies (Auditor's Report) Order, 2016, as amended
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
CRR	Cash Reserve Ratio
Depositories	NSDL and CDSL

Depositories Act	The Depositories Act, 1996 as amended from time to time
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018, as amended from time to time
DIN	Director's Identification Number
DP/Depository Participant	A Depository Participant as defined under the Depository Participant Act, 1996
DP ID	Depository Participant's Identification Number
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
FDI	Foreign Direct Investment
Financial Year/ Fiscal Year/ FY	The period of twelve months ended March 31 of that particular year
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there-under and as amended from time to time
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
FIs	Financial Institutions
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gov/Government/GOI	Government of India
GST Act	The Central Goods and Services Tax Act, 2017
GST	Goods and Services Tax
GSTIN	GST Identification Number
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standard
ICAI	Institute of Chartered Accountants of India
I.T. Act	Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
INR/ Rs./ Rupees / ₹	Indian Rupees, the legal currency of the Republic of India
IPO	Initial Public Offering
KMP	Key Managerial Personnel
Ltd.	Limited
LM	Lead Manager
MCA	Ministry of Corporate Affairs
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended.
MOF	Minister of Finance, Government of India
MOU	Memorandum of Understanding
MSMEs	Micro, Small & Medium Enterprises
NA	Not Applicable

NACH	National Automated Clearing House
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NPCI	National Payments Corporation of India
NOC	No Objection Certificate
NR/ Non Residents	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate
RBI	Reserve Bank of India
R & D	Research and Development
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RONW	Return on Net Worth
ROCE	Return on Capital Employed
RTGS	Real Time Gross Settlement
SAT	Security Appellate Tribunal
SCRA	Securities Contracts (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, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI ICDR Regulations /ICDR Regulations/SEBI ICDR / ICDR	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI Rules and Regulations	SEBI ICDR Regulations, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time.
Sec.	Section
Securities Act	The U.S. Securities Act of 1933, as amended.
SENSEX	Stock Exchange Sensitive Index
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small And Medium Enterprises

SME Exchange	SME Platform of BSE Limited
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
Stock Exchanges	Unless the context requires otherwise, refers to, the BSE Limited
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TDS	Tax Deducted at Source
TIN	Tax payer Identification Number
UIN	Unique Identification Number
U.S. GAAP	Generally accepted accounting principles in the United States of America.
VCFs	Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations. In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations.
YoY	Year on Year

## FORWARD LOOKING STATEMENTS

This Draft Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “propose”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

All statements contained in this Draft 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 Draft Prospectus regarding matters that are not historical facts. These forward looking statements and any other projections contained in this Draft Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause 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.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. 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, national and international economies;
- Competition from existing and new entities may adversely affect our revenues and profitability;
- Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business may get affected to some extent.
- Our business and financial performance is particularly based on market demand and supply of our products;
- The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian national, state and local Governments;
- Any downgrading of India’s debt rating by a domestic or international rating agency could have a negative impact on our business and investment returns;
- Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company;
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “Risk Factors”, “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages nos. 17, 66 and 108 of this Draft Prospectus, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views as of the date of this Draft Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although our Company believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our Company, the Directors, the LM, or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company and the Directors will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

## **PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA**

### **Certain Conventions**

All references to “India” contained in this Draft Prospectus are the Republic of India.

Unless stated otherwise, all references to page numbers in this Draft Prospectus are to the page numbers of this Draft Prospectus

### **Financial Data**

Unless stated otherwise, the financial data in this Draft Prospectus is derived from our audited financial statements for the year 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, 2018 and the Indian GAAP which are included in this Draft Prospectus, and set out in the section titled ‘Restated Financial Information beginning on page no. 94 of this draft Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year. In this Draft Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

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

Any percentage amounts, as set forth in the sections / chapters titled ‘Risk Factors’, ‘Business Overview’ and ‘Management's Discussion and Analysis of Financial Condition and Results of Operations’ beginning on page nos.17, 66 and 108 respectively of this Draft Prospectus and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP.

### **Industry and Market Data**

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

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

### **Currency and units of presentation**

In this Draft Prospectus, unless the context otherwise requires, all references to;

- ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India.
- ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America, EURO or “€” are Euro currency,

All references to the word ‘Lakh’ or ‘Lac’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten lacs’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’

## SUMMARY OF ISSUE DOCUMENT

### SUMMARY OF BUSINESS

Our Company is engaged in the trading and distribution of wide range of pharmaceutical raw material which is also known as APIs (Active Pharmaceutical Ingredients), Excipient and chemical formulation products. Presently our product portfolio comprises of 61 AIPs and AIPs intermediates such as Cephalosporins, Cardiovasculars, Anti – Bacteria, Quinolones, Veterinary, Anti – Virus, Anti – Inflammatory, Neuropsychiatry, Steroid Hormone, other etc. Being a trading and distribution company, we have pan India market for our products. The Company had also started the selling of chemicals on commission basis in the Financial year 2022 the Company had earned commission income of ₹ 127.50 lacs. The Company is doing trading in Ahmedabad and surrounding area of Ahmedabad.

For more details, please refer chapter titled “Business Overview” on page 66 of this Draft Prospectus.

### SUMMARY OF INDUSTRY

The Indian Pharmaceuticals industry plays a prominent role in the global pharmaceuticals industry. India ranks 3rd worldwide for production by volume and 14th by value. The nation is the largest provider of generic medicines globally, occupying a 20% share in global supply by volume, and is the leading vaccine manufacturer globally. India also has the highest number of US-FDA compliant Pharma plants outside of USA and is home to more than 3,000 pharma companies with a strong network of over 10,500 manufacturing facilities as well as a highly skilled resource pool.

The pharmaceutical industry in India offers 60,000 generic brands across 60 therapeutic categories. Major segments include generic drugs, OTC Medicines, API/Bulk Drugs, Vaccines, Contract Research & Manufacturing, Biosimilars and Biologics.

- Incentives worth INR 21,940 Crore (\$3 Mn) are approved
- Expected to reach \$65 bn by 2024, and ~\$120-130 bn by 2030
- Growth rate 10-12%
- Cost of manufacturing ~ 33% lower than western markets
- 18.7% year on year export growth

India is the 4<sup>th</sup> largest Asian medical devices market after Japan, China, and South Korea and among the top 20 global medical devices markets in the world.

Indian pharma companies enabled by their price competitiveness and good quality, have made global mark, with 60 per cent of the world’s vaccines and 20% of generic medicines coming from India.

For more details, please refer chapter titled “Industry Overview” on page 60 of this Draft Prospectus.

### PROMOTER

The Promoter of our Company is Mr. Keyur Shah.

For detailed information please refer chapter titled, “Our Promoters and Promoter Group” on page number 90 of this Draft Prospectus.

### ISSUE SIZE

Initial public issue of 40,02,000 equity shares of face value of ₹10/- each of Dipna Pharmachem Limited (“DPL” or the “company” or the “issuer”) for cash at a price of ₹38/- per equity share including a share premium of ₹28/- per equity share (the “issue price”) aggregating to ₹ 1520.76 lacs (“the issue”), of which 2,04,000 equity shares of face value of ₹ 10/- each will for cash at a price of ₹ 38/- per equity share including a share premium of ₹28/- per equity share aggregating to ₹ 77.52 lacs will be reserved for subscription by market maker to the issue (the “market maker reservation portion”). The issue less the market maker reservation portion i.e. Net issue of 37,98,000 equity shares of face value of ₹10/- each at a price of ₹ 38/- per equity share aggregating to ₹ 1443.24 lacs is herein after referred to as the “net issue”. The issue and the net issue will constitute 33.43% and 31.73% respectively of the post issue paid up equity share capital of our company.



For further details, please refer to section titled "Terms of the Issue" beginning on page no. 136 of this Draft Prospectus.

## OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds for the following objects ("Objects of the Issue"):

### Net Proceeds

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

Sr. No.	Particulars	Estimated Amount (₹ In lakhs)
1.	Gross proceeds from the issue	1520.76
2.	Less: Issue related expenses	45.76
<b>Net proceeds of the issue</b>		<b>1475.00</b>

### Requirement of funds and utilization of Net Proceeds

Sr. No.	Particulars	Estimated Amount ₹ In lakhs)
1.	Working capital requirement	1110.00
2.	General corporate purposes	365.00
<b>Total utilization of net proceeds</b>		<b>1475.00</b>

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

Sr. No	Name of share holder	Pre-issue	
		No of equity shares	As a % of Issued Capital
<b>(i) Promoter</b>			
1.	Keyur Shah	4884000	61.30
	<b>TOTAL (A)</b>	<b>4884000</b>	<b>61.30</b>
<b>(ii) Promoter Group</b>			
2.	Dipna Shah	3083500	38.70
3.	Chaitanya Nanavati	100	0.00
4.	Dhara Shah	100	0.00
	<b>TOTAL (B)</b>	<b>3083700</b>	<b>38.70</b>
<b>(iii) Public</b>			
5.	Nrupesh Shah	100	0.00
6.	Saumil Shah	100	0.00
7.	Saurabh Shah	100	0.00
	<b>TOTAL (C)</b>	<b>300</b>	<b>0.00</b>
	<b>TOTAL (A+B+C)</b>	<b>7968000</b>	<b>100.00</b>

## SUMMARY OF FINANCIAL INFORMATION

Particulars	For the Period ended on March 31, 2022	For the Year ended on March 31, 2021	For the Year ended on March 31, 2020
Share Capital (₹ in Lakhs)	3.50	3.50	3.50
Net worth (₹ in Lakhs)	173.86	57.17	54.75
Revenue (₹ in Lakhs)	7,276.58	3,101.54	3,054.85
Profit after Tax (₹ in Lakhs)	116.69	2.42	5.90
Earnings per share (Basic & diluted) (₹)	333.40	6.91	16.86
Net Asset Value per Equity Share (Basic & diluted) (₹)	496.74	163.34	156.43

Total borrowings (₹ in Lakhs)	1018.88	1242.64	957.02
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### QUALIFICATIONS OF AUDITORS

The Restated Financial Statements do not contain any qualification requiring adjustments by the Statutory Auditors.

### SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

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

(₹ in Lacs)

Nature of Cases	Number of Cases	Total Amount Involved
A. Litigation against the Company	-	-
B. Litigation by Company	-	-
C. Litigation against Promoters and Directors of the Company	2	8.65
D. Litigation by Promoters and Directors of the Company	-	-
E. Litigation against Group Company	-	-
F. Litigation by Group Company	-	-

For further details, please refer chapter titled “Outstanding Litigations & Material Developments” beginning on page 121 of this Draft Prospectus.

### RISK FACTORS

For details relating to risk factors, please refer section titled “Risk Factors” on page 17 of this Draft Prospectus.

### SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

As on the date of filing this Draft Prospectus there is no contingent liability on the Company.

### SUMMARY OF RELATED PARTY TRANSACTIONS

(₹In Lakhs)

Nature of Transaction / Name of Related Party		During the year ended March 31 <sup>st</sup>		
Particulars	Relations	2022	2021	2020
<b>Sales</b>				
Dhara Chemicals Private Limited	Associate Concern	214.09	119.60	105.67
Dipan Pharmachem Private Limited	Associate Concern			0.21
<b>TOTAL</b>		<b>214.09</b>	<b>119.60</b>	<b>105.88</b>
<b>Purchase</b>				
Dhara Chemicals Private Limited	Associate Concern	416.03	13.91	113.06
DipanPharmachem Private Limited	Associate Concern	214.50	1.21	72.69
<b>TOTAL</b>		<b>630.53</b>	<b>15.12</b>	<b>185.75</b>
<b>Balance outstanding</b>				
Dhara Chemicals Private Limited	Associate Concern	140.27	8.06	
DipanPharmachem Private Limited	Associate Concern	312.17		
<b>TOTAL</b>		<b>452.44</b>	<b>8.06</b>	
<b>Loan Taken by the Company</b>				
Dhara Chemicals Private Limited	Associate Concern	753.01	800.74	711.68
DipanPharmachem Private Limited	Associate Concern	1122.69	804.27	737.30
Keyur D Shah	Director	159.58	75.20	169.06
Dipna K Shah	Director	37.91	10.83	6.00
<b>TOTAL</b>		<b>2073.19</b>	<b>1691.04</b>	<b>1624.04</b>
<b>Loan repaid by the Company</b>				
Dhara Chemicals Private Limited	Associate Concern	610.89	1005.31	501.85

DipanPharmachem Private Limited	Associate Concern	1377.48	719.83	616.66
Keyur D Shah	Director	162.95	119.48	118.56
Dipna K Shah	Director	4.20	11.93	63.02
<b>TOTAL</b>		<b>2155.52</b>	<b>1856.55</b>	<b>1300.09</b>
<b>Balance Outstanding(Liability)</b>				
Dhara Chemicals Private Limited	Associate Concern	0.25		62.70
DipanPharmachem Private Limited	Associate Concern		254.79	170.35
Keyur D Shah	Director	30.74	34.11	78.39
Dipna K Shah	Director			
<b>TOTAL</b>		<b>30.99</b>	<b>288.90</b>	<b>311.44</b>
<b>Balance Outstanding(Asset)</b>				
Dhara Chemicals Private Limited	Associate Concern		141.87	
DipanPharmachem Private Limited	Associate Concern			
Keyur D Shah	Director			
Dipna K Shah	Director		33.71	32.61
<b>TOTAL</b>			<b>175.58</b>	<b>32.61</b>

For detailed information on the related party transaction executed by our Company, please refer chapter titled “Restated Financial Statement” beginning on page 94 of this Draft Prospectus.

#### FINANCING ARRANGEMENTS

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

#### WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY EACH OF OUR PROMOTERS IN THE ONE YEAR PRECEDING THE DATE OF THIS DRAFT PROSPECTUS

The promoter have not acquired any Equity Shares in the last one (1) year preceding the date of this Draft Prospectus other than stated below:

Sr. No	Name of Promoter	No of Equity Shares acquired in the last one year from the date of this Draft Prospectus	Weighted Average Cost of Acquisition (in Rs)
1.	Keyur Shah	48,66,500	8.22

#### AVERAGE COST OF ACQUISITION

The average cost of acquisition per Equity Share to our Promoters as at the date of this Draft Prospectus is:

Name	Average Cost of Acquisition per Equity Share (in ₹)
Keyur Shah	8.46

#### DETAILS OF PRE-ISSUE PLACEMENT

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

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

Except as set out Below, our Company has not issued Equity Shares for consideration other than cash.

Date of Allotment	No. of Shares Allotted	Face Value	Type of Issue
April 20, 2022	49,80,000	10	Bonus Issue
May 14, 2022	13,28,000	10	Bonus Issue

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

Our Company has not undertaken a split or consolidation of the Equity Shares in last one year.

## SECTION II – RISK FACTORS

*Investment in the Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Draft Prospectus, including the risks and uncertainties described below and the Financial Statements incorporated in this Draft Prospectus, before making an investment in the Equity Shares of our Company. Any potential investor in, and subscribers of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the risks involved. If any or some combination of the following risks occur or if any of the risks that are currently not known or deemed to be not relevant or material now, actually occur, our business, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. For further details, please refer to chapters titled “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 66 and 108, respectively of this Draft Prospectus, as well as the other financial and statistical information contained in this Draft Prospectus. If our business, results of operations or financial condition suffers, the price of the Equity Shares and the value of your investments therein could decline.*

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

- *Some risks may not be material at present but may have a material impact in the near future.*
- *Some risks may not be material individually but may be found material when considered collectively*
- *Some risks may have material impact qualitatively and not quantitatively and vice-versa*

*We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those we are not aware of, or deem immaterial or irrelevant, may also result in decreased revenues, increased expenses or other events that could result in a decline in the value of the Equity Shares and may also have an adverse effect on our business. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.*

*This Draft 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 certain factors, including the considerations described below and elsewhere in this Draft Prospectus. For further details, please refer to chapter titled “Forward-Looking Statements” beginning on page 11 of this Draft Prospectus.*

*Unless otherwise indicated, all financial information included herein are based on our Financial Statements. Please refer to the section titled “Restated Financial Statements” beginning on page 94 of this Draft Prospectus.*

### **INTERNAL RISK FACTORS:**

#### **1. We do not own registered office and from which we operate.**

Our Registered Office is located at A/211, Siddhi Vinayak Complex, Near D.A.V. School, Makarba, Ahmedabad - 380055. Gujarat. The registered office is not owned by us. Our company has taken premises on rental basis and has entered into rent agreement with Keyur Dipakkumar Shah, our Promoter Director. The premises have been taken by us on lease for a period of 11 Months and 29 days w.e.f. January 01, 2022.

There can be no assurance that the term of the agreements will be renewed and in the event the lessor/licensor terminates or does not renew the agreements on commercially acceptable terms, or at all, and we may require to vacate the registered office and identify alternative premises and enter into fresh lease or leave and license agreement. Such a situation could result in loss of business, time overruns and may adversely affect our operations and profitability.

- 2. The collateral securities provided to the Bank for the working capital limit is cross collateral securities for other entities of the promoter and promoter group.***

Indusind Bank had sanctioned working capital limit to the issuer company and as per the condition of sanction letter the collateral securities provided to the bank is cross collateral securities for the loan of M/s Dipan Pharma Chem, a proprietorship concern of Dipna Keyur Shah and for the loan of M/s Dhara Chemical, a proprietorship concern of Keyur Shah, promoter of the Company. As per cross default clause the default by the Dipan Pharma Chem and Dhara Chemical shall be deemed to be an event of default by issuer company and the bank will take action for default by issuer Company and the entities owned by the promoter and promoter group. The issuer company cash flow profitability and business of the Company will be adversely affected on account of default by the Issuer Company or the entity owned by the Promoter or by the entity owned by the promoter group.

- 3. We have to update the name of our company in some of the statutory approvals and certificates due to the conversion of our Company in to Public Limited Company.***

Some of our statutory approvals and certificates are in the name of Dipna Pharmachem Private Limited. Since our company is converted into a public limited company pursuant to shareholder's resolution dated May 13, 2022 and fresh certificate of incorporation dated May 25, 2022 we have to update the name Dipna Pharmachem Limited on the statutory approvals and certificates. We cannot ensure that we will be able to update the said documents in a timely manner.

For more information about the licenses required in our business, please refer section "Government and other statutory approvals" beginning on page no.125 of this Draft Prospectus.

- 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, registration and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. If we fail to maintain such registrations and licenses or comply with applicable conditions, then such respective regulatory can impose fine on our company or suspend and/or cancel the approval/licenses which may affect our business adversely.

For more information about the licenses required in our business, please refer section "Government and other statutory approvals" beginning on page no. 125 of this Draft Prospectus.

- 5. We have not Complied with the Provisions of section 129 of the Companies Act 2013 while preparing the financial statements for the FY 2021 and 2020.***

We have not complied with the provisions of section 129 of the Companies Act 2013 while preparing the financial statements for the FY 2021 and 2020. The financial statements are not form as specified in Schedule III of the Companies Act, 2013. However no notice has been received by the Company from the office of registrar of Companies for this violation. In future, the company may require to pay the penalty for non- compliance of the provisions of the Companies Act, 2013. Any developments in the proceedings, against us, our Directors and/ or our Promoter may constrain us to make provisions in our financial statements which may have an adverse impact on our business, goodwill, result of operations and financial condition.

- 6. There are no long term supply agreements with our vendors/suppliers. Our Business may be adversely affected if there is any disruption in the trading material supply or due to non-availability of trading material.***

We do not have written agreements with our vendors/suppliers and we operate on a purchase order system. There are no long term supply agreements for the trading material. In absence of any such formal contract with our vendors/suppliers, we are exposed to the risks of irregular supplies or no supplies at all or delayed supplies or price variation which would materially affect our results of operations.

In the event of any disruption in the supply or the non-availability of material in the required quantity and of required quality from alternate source, the supply schedule to our clients may be adversely be affected impacting the sales and profitability of the Company.

- 7. *Some of our trading items are hazardous in nature. In the event of any accidents involving any such hazardous materials and substances, our Company may be held liable for subsequent damages and litigations.***

We are trading in pharmaceutical raw materials which includes Folic Acid IP, Mefenamic Acid IP, Sertraline HCL, Sildenafil Citrate and many other such products. These are hazardous in nature. Improper or negligent handling while trading and/or storing hazardous material and/or substances at our godown may cause personal injury or loss of life and may further lead to severe damage or destruction to property may result in to financial losses and criminal liabilities.

- 8. *Our insurance coverage may not adequately protect us against certain operating risks and this may have an adverse effect on the results of our business.***

We are insured for a risks associated with our trading business, through policies. We believe that we have got our assets and stock adequately insured; however our policy of covering these risks through insurance may not always be effective or adequate, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, to cover all material losses. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business and results of operations could be adversely affected. For details on insurance policies taken by our Company please page no. 66 in chapter titled “Business Overview” of Draft Prospectus.

- 9. *We are dependent on third party transportation providers for delivery of trading goods and materials to us from our suppliers and delivery of trading goods and materials to our clients. Any failure on part of such service providers to meet their obligations could have a material adverse effect on our business, financial condition and results of operation.***

As trading is our main activities, our success depends on the smooth supply and transportation of the trading materials and transportation of our trading materials from our suppliers to us/ or our buyers/clients, both of which are subject to various uncertainties and risks. In addition, trading materials may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of trading materials which may also affect our business and our results of operation negatively. A failure to maintain a continuous supply of trading materials to us as well as to our clients in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations.

- 10. *We have not filed GST returns on time***

As we are having GST number we are required to file GST Challan and Returns on or before prescribed date and deposit GST amount with Government Authority within time limit prescribed. In past our company had defaulted in filing of GST returns in time. We may have to face any punitive action by the department. However due care is being taken up for timely compliance of all statutory requirements.

- 11. *We may not be successful in implementing our business strategies.***

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted clients. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

- 12. *We do business with our customers on purchase order basis and do not have long term contracts with most of them.***

Our business is conducted on purchase order basis, depending on the requirements of the client preferences and demand. We do not have long term contracts with most of our customers and there can be no assurance

that we will continue to receive repeat orders from all or any of them, including our longstanding customers. Further, even if we were to continue receiving orders from our existing clients, there can be no assurance that they will be on the same terms and conditions, and the new terms may be less favourable to us than those under the present terms which may adversely affect our business operations and results..

- 13. *We have unsecured loans from directors and relatives of directors, which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our liquidity and business operations.***

As per our restated financial statements, as on March 31, 2022, we have unsecured loan of ₹31.01 lakhs from erstwhile director and their relatives which is repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our liquidity and business operations. For further details of these unsecured loans, please refer to Chapter titled “*Restated Financial Statements*” beginning on page 94 of this Draft Prospectus.

- 14. *Failure to manage our inventory could have an adverse effect on our net sales, profitability, cash flow and liquidity.***

The results of operations of our business are dependent on our ability to effectively manage our inventory and stocks. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirement accordingly. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of supply or an accumulation of excess inventory. The excess inventory will need storage space and block our liquidity resulting in to loss.

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

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

- 16. *We are subject Foreign Exchange Rate fluctuation and strict compliance of The Foreign Exchange Regulations Act, 1973 (FERA) and the provisions of FEMA.***

As a part of our trading activity, sometimes we may require to import materials from foreign countries for which we have to make payment in foreign currency. We have to face the foreign exchange fluctuation risk. We have to also comply with the strict provisions of FERA and FEMA. Any fluctuation in foreign exchange and non compliance of the provisions will lead to financial loss and strict disciplinary and punitive action against the company which affect our liquidity, reputation and business operations and profitability of our company.

- 17. *Our promoter and Promoter group involved which are engaged in similar line of business activity in which issuer company is engaged which may create a conflict of interest, Further, we do not enjoy contractual protection by way of a non-compete or other agreement or arrangement with firms which are involved in similar line of business activity.***

Our Promoter, Keyur Shah is involved in the proprietorship firm Viz. Dhara Chemicals and Dipna Shah, part of promoter group and wife of Keyur Shah is involved in Dipan Pharma Chem which are doing the trading and distribution of wide range of pharmaceutical raw material which is also known as APIs (Active Pharmaceutical Ingredients), Excipient and chemical formulation products. They are doing trading majority in Chemical formulations. However our Company has not signed any agreement / document with our Group Entity so as to confirm that they will not sell products similar to issuer Company. Our Group Entities may expand their business in the future that may compete with us. The interests of these Group Entities may conflict with our Company’s interests and / or with each other. For further details, please refer to the chapter titled, “Our Promoters and Promoter Group”, beginning on page 90 and the Annexure 28 "Related Party Transaction" under the section "Financial Information's" on page 106 of the Draft Prospectus.

**18. Our Company does not have intellectual property rights over its corporate logo.**

We operate in an extremely competitive environment, where generating recognition is a significant element of our business strategy. Currently, we do not have any corporate logo. In absence of our Registered Logo or Trademark there are chances of getting damage to our business prospects, reputation and goodwill.

**19. Our Company is subject to high working capital requirements and our inability to fund these requirements in a timely manner may adversely impact our financial performance.**

Our Company is engaged in trading and distribution of wide range of pharmaceutical raw material and chemical formulation products. As on March 31, 2022 the Company's net working capital consisted of ₹1188.62 lakhs as against the ₹1295.75 lakhs as on March 31, 2021. As on the date of this Draft Prospectus we meet our working capital requirements in the ordinary course of its business from capital, internal accruals, unsecured loans, working capital loans from the Banks etc. The last three years working capital requirement of the Company is given below.

(₹in Lacs)			
Particulars	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2021-22
Current Assets			
Inventories	555.25	719.50	630.36
Trade Receivables	1120.13	1494.78	2697.48
Cash and Bank Balance	17.81	25.32	20.86
Short Term Loans and Advances	146.72	235.68	270.14
<b>Total Currents Assets (A)</b>	<b>1839.91</b>	<b>2475.28</b>	<b>3618.84</b>
Less: Current Liabilities			
Trade Payables	831.33	1177.87	2303.00
Other Current Liabilities	1.08	0.41	86.97
Short Term Provisions		1.25	40.25
<b>Total Current Liabilities (B)</b>	<b>832.41</b>	<b>1179.53</b>	<b>2430.22</b>
<b>Net Working Capital (A-B)</b>	<b>1007.50</b>	<b>1295.75</b>	<b>1188.62</b>
Less: Bank Borrowing	280.28	305.06	396.20
<b>Balance</b>	<b>727.22</b>	<b>990.69</b>	<b>792.42</b>
<b>Financed through Capital Internal Cash Accruals</b>	<b>50.48</b>	<b>53.11</b>	<b>169.74</b>
<b>Long term and short term borrowings</b>	<b>676.74</b>	<b>937.58</b>	<b>622.68</b>

If we are not able to manage the working capital requirement properly then the growth, profitability and business will be adversely affected.

**20. There are certain outstanding legal processing involving our Company, Promoter and Director. Any failure to defend these proceedings successfully may have an adverse effect on our business prospects, financial condition, result of ongoing operations and reputation.**

There are outstanding litigations filed against and by our Company. The details of this legal proceeding are given below in the following table:

Particular	Nature of cases	No of outstanding cases	Amount involved (₹ in lacs)
Litigation against our promoters	Criminal cases under section 138 of Negotiable Instrument Act, 1881	2	8.65

For further details regarding outstanding litigations by and against companies please refer the chapter "Outstanding Litigations and Material Development" on page no. 121 of this Draft Prospectus.

**21. Our company avails various credit facilities from the Bank and Financial Institutions, as per sanction terms there are certain restrictive covenants imposed on the issuer company.**



We have availed various working capital facilities from the Indusind Bank. As a part of the conditions, during currency of the Bank's credit facilities, the borrower shall not without prior approval of the Bank in writing effect changes in their capital structure, shall not pledge shares held by promoters, formulate any scheme of amalgamation/ reconstruction, undertake new project/scheme, Declare dividend, grant loan to promoters/Directors. These covenants may have an adverse effect on the functioning of our Company.

**22. We have experienced negative cash flows in previous years / periods. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial condition.**

Our Company had negative cash flows from our operating activities, in the previous years as per the Restated Financial Statements and the same are summarized as under.

(₹ In Lacs)

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Net Cash Generated from Operating Activities	286.55	(243.24)	(311.86)

**23. We have entered into certain transactions with related parties. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.**

We have entered into certain transactions with related parties with our Promoter, Promoter Group, Directors, their relatives, Group Entities and may continue to do so in future. Our Company has entered into such transactions due to easy proximity and quick execution. Additionally, our company belief that all our related party transactions have been conducted on an arm's length basis, but we cannot provide assurance that we could have achieved more favorable terms had such transactions been entered with third parties. Our Company may enter into such transactions in future also and we cannot assure that in such events there would be no adverse effect on results of our operations, although going forward, all related party transactions that we may enter will be subject to board or shareholder approval, as under the Companies Act, 2013 and the Listing Regulations. For details of transactions, please refer to "Annexure 28" Related Party Transactions" on page 106 of Restated Financial Information of this Draft Prospectus.

**24. Our Promoters, Directors and Key Managerial Personnel may have interest in our Company, other than reimbursement of expenses incurred or remuneration.**

Our Promoter and Directors may be deemed to be interested to the extent of the Equity Shares held by them and benefits deriving from their shareholding in our Company. Our Promoters are interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Entities. For further details, please refer to the chapters titled "Business Overview" and "Our Promoters and Promoter Group", beginning on page 66 and 90 respectively and the chapter titled "Annexure 28 - Related Party Transactions" on page 106 under chapter titled "Restated Financial Statements" beginning on page 94 of this Draft Prospectus.

**25. Sale of shares by our promoters or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.**

The sale of shares by the promoters or other significant shareholder(s) may significantly affect the trading price of our Equity shares. Further the market price generally may be adversely affected on account of the news about the sale of shares by the promoters. However the closing of trading windows during the period of financial results may restrict the promoters from selling the shares in the open market.

**26. The issue price of the Equity Shares may not be indicative of market price of our equity shares after the issue and the market price of our Equity shares may decline below the issue price.**

The issue price of our Equity shares is decided on the basis of both qualitative and quantitative factors. The Company had made good progress in establishing its name in the Infrastructure sector. All such point have been considered in deciding the issue price of the Equity Shares. Please refer chapter titled "Basis for Issue Price" beginning on the page no 54 of the Draft prospectus. The market price of our equity shares could be subject to change after the issue and may decline the below the issue price.

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

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above Rs. 100 cr. 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 Listing Agreement. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the Stock Exchange.

- 28. *Our success depends heavily upon our Promoter and Senior Management for their continuing services, strategic guidance and financial support.***

Our success depends heavily upon the continuing services of Mr. Keyur Shah who is the natural persons in control of our Company. He currently serves as our Managing Director and his experience and vision had played a key role in obtaining our current reputation and status in the market. We would depend significantly on our Key Managerial Persons for continuing our business operations successfully. If any member of the senior management team is unable or unwilling to continue in his present position, we may not be able to replace him easily or at all, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

- 29. *We have not identified any alternate source of financing the ‘Objects of the Issue’. If we fail to mobilize resources as per our plans, our growth plans may be affected.***

We have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue which may delay in the implementation schedule and could adversely affect our growth plans. For further details of object of Issue and schedule of implementation please refer to the chapter titled “*Objects of the Issue*” on page 49 of this Draft Prospectus.

- 30. *Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

Our future ability to pay dividends will depend on our earnings, financial condition and capital requirements. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders. Our ability to pay dividends will also depend on our expansion plans. We may be unable to pay dividends in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations.

- 31. *Our Promoter and members of the Promoter Group will continue jointly to retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.***

Post this Issue, our Promoter and Promoter Group will collectively own 66.57 % of our equity share capital. As a result, our Promoter, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over Company and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act, 2013 and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoter will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or other shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

- 32. *We have not independently verified certain data in this Draft Prospectus.***

We have not independently verified data from the Industry and related data contained in this Draft Prospectus and although we believe the sources mentioned in the report to be reliable, we cannot assure

you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the industries in which we operate that is included herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to incorrect or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**33. *Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised, and may be subject to change based on various factors, some of which are beyond our control.***

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or another independent agency. Furthermore, in the absence of such independent appraisal, our funding requirements may be change subject to the approval of shareholders by passing special resolution pursuant to section 27 of Companies Act, 2013 through postal ballot or subject to an authority given by the Company in general meeting by way of special resolution and based on various factors which are beyond our control. For further details, please see the section titled “Objects of the Issue” beginning on page no. 49 of this Draft Prospectus.

**34. *Increased competition for skilled employees and salary increases for our employees may reduce our profit margin.***

Due to pandemic situation there is sizable growth in Indian pharmaceutical industry and increased competition for skilled employees in India over the last two years, wages of skilled employees are increasing at a fast rate. Accordingly, we may need to increase our levels of employee compensation rapidly to remain competitive in attracting the quality of employees that our business requires. Salary increases may reduce our profit margins and have a material and adverse effect on our results of operations.

**35. *Any future issuance of Equity Shares may dilute the shareholding of the Investor or any sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by our Company could dilute the shareholding of the investor. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may adversely affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. While the entire Post-Issue paid-up share capital, held by our Promoters or other shareholders will be locked-in for a period of 1 (one) year and minimum promoter contribution subject to a minimum of 20% of our post-Issue paid-up capital will be locked-in for a period of 3 (three) years from the date of allotment of Equity Shares in the Issue, upon listing of our Equity Shares on the Stock Exchanges. For further information relating to such Equity Shares that will be locked-in, please refer to the section titled “Capital Structure” beginning on page 40 of this Draft Prospectus. Any future issuance or sale of the equity shares of our Company by our Promoter or by other significant shareholder(s) or any perception or belief that such sales of Equity Shares might occur may significantly affect the trading price of our Equity Shares.

## **EXTERNAL RISK FACTORS**

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

The price of the Equity Shares on the stock exchange may fluctuate as a result of the factors, including:

- Volatility in the India and global capital market;
- Company’s results of operations and financial performance;
- Performance of Company’s competitors;

- Adverse media reports on Company;
- Changes in our estimates of performance or recommendations by financial analysts;
- Significant developments in India's economic and fiscal policies; and
- Significant developments in India's environmental regulations.

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for our industry and our Company. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

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

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

**2. *Any changes in the regulatory framework could adversely affect our operations and growth prospects***

Our Company is subject to various regulations and policies. For details see section titled "Key Industry Regulations and Policies" beginning on page 72 of this Draft Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, 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 regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

**3. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse affects on our operations and financial performance***

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

**4. *Our 100% Revenue is derived from business in India and a decrease in economic growth in India could materially affect and cause our business to suffer.***

We derive 100% of our revenue from our operations in India and, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

**5. *The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.***

Prior to this Issue, there has been no public market for our Equity Shares. Our Company and the Lead Manager have appointed Sernet Financial Services Private Limited as Designated Market maker for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements

by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

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

Taxes and other levies imposed by the Central or State Governments in India that impact our industry include income tax and GST and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. There can be no assurance that these tax rates/slab will continue in the future. Any changes in these tax rates/slabs could adversely affect our financial condition and results of operations.

## SECTION - III –INTRODUCTION

### THE ISSUE

The following table summarizes the Issue details:

Particulars	Details of Equity Shares
Issue of Equity Shares by our Company	40,02,000 Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹ 38.00/- per Equity Share aggregating to ₹ 1520.76 Lakhs
<i>Of Which</i>	
Market Maker Reservation Portion	2,04,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ 38.00/- per Equity Share aggregating to ₹ 77.52 Lakhs
Net Issue to the Public*	37,98,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ 38.00/- per Equity Share aggregating to ₹ 1443.24 Lakhs
<i>Of Which</i>	
(A) Retail Portion	18,99,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ 38.00/- per Equity Share aggregating to ₹ 721.62 Lakhs i.e. 50% of the Net Issue shall be available for allocation Retail Individual Investors
(B) Non – Institutional Portion	18,99,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ 38.00/- per Equity Share aggregating to ₹ 721.62 Lakhs i.e. 50% of the Net Issue shall be available for allocation for Investors other than Retail Individual Investors.
<b>Pre-and Post-Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	79,68,000 Equity Shares of face value of ₹10.00/- each
Equity Shares outstanding after the Issue	1,19,70,000 Equity Shares of face value of ₹ 10.00/- each
Use of Issue Proceeds	For details please refer chapter titled “Objects of the Issue” beginning on page 49 of this Draft Prospectus.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on May 16, 2022 and approved by the shareholders of our Company vide a special resolution at the Extra Ordinary General Meeting held on June 07, 2022 pursuant to section 62(1)(c) of the Companies Act. This Issue is being made in terms of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended. For further details, please refer to section titled “Issue Structure” beginning on page 143 of this Draft Prospectus.

\*As per the Regulation 253 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:

- a) Minimum fifty percent to retail individual investor; and
- b) remaining to:
  - (i) individual applicants other than retail individual investors; and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

If the retails individual investor category is entitled to more than allocated portion on proportionate basis, accordingly the retails individual investors shall be allocated that higher percentage.

**SUMMARY OF OUR FINANCIAL INFORMATION**

**RESTATED STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES**

(₹ In Lacs)

	<b>Particulars</b>	<b>31st March, 2022</b>	<b>31st March, 2021</b>	<b>31st March, 2020</b>
<b>(1)</b>	<b>Equity &amp; Liabilities</b>			
	(a) Share Capital	3.50	3.50	3.50
	(b) Reserves & surplus	170.36	53.67	51.25
	<b>Sub Total.....(1)</b>	<b>173.86</b>	<b>57.17</b>	<b>54.75</b>
<b>(2)</b>	<b>Share Application Money.....(2)</b>			
<b>(3)</b>	<b>Non Current Liabilities</b>			
	(a) Long term Borrowings	332.60	368.43	336.27
	(b) Long term Liabilities			
	(c) Deffered Tax Liabilities ( Net)			
	( d) Long term Provisions		-	-
	<b>Sub Total.....(3)</b>	<b>332.60</b>	<b>368.43</b>	<b>336.27</b>
<b>(4)</b>	<b>Current Liabilities</b>			
	(a) Short Term Borrowings	686.28	874.21	620.75
	(b) Trade Payables			
	Outstanding due to Micro and Small Enterprises	386.23	517.22	218.17
	Outstanding due to Creditors other than Micro and Small Enterprises	1,916.77	660.65	613.16
	( C) Other Current Liabilities	86.97	0.41	1.08
	( d) Short term provisions	40.25	1.25	-
	<b>Sub Total.....(4)</b>	<b>3,116.50</b>	<b>2,053.74</b>	<b>1,453.16</b>
	<b>TOTAL LIABILITIES.....(1+2+3+4)</b>	<b>3,622.96</b>	<b>2,479.34</b>	<b>1,844.18</b>
	<b>ASSETS</b>			
<b>(4)</b>	<b>Non Current Assets</b>			
	(a) Property Plant and Equipment			
	(i) Tangible Assets	4.12	4.06	4.27
	(ii) Intangible Assets			
	(b) Capital work-in-progress			
	(c) Non Current Investments		-	-
	( d ) Deferred Tax Assets			
	( e ) Long term Loans and Advances		-	-
	(f) Other non Current Assets			
	Sub Total.....( 4)	<b>4.12</b>	<b>4.06</b>	<b>4.27</b>
<b>(5)</b>	<b>Current Assets</b>			
	(a) Current Investments			
	( b) Inventories	630.36	719.50	555.25
	( c) Trade Receivables	2,697.48	1,494.78	1,120.13
	(d) Cash and bank balances	20.86	25.32	17.81
	( e ) Short Term Loans and Advances	270.14	235.68	146.72
	(f) Other Current Assets			
	Sub Total.....( 5)	<b>3,618.84</b>	<b>2,475.28</b>	<b>1,839.91</b>
	<b>TOTAL ASSETS.....(4+5)</b>	<b>3,622.96</b>	<b>2,479.34</b>	<b>1,844.18</b>

**RESTATED STANDALONE SUMMARY STATEMENT OF PROFITS AND LOSSES**

(₹ In Lacs)

Particulars	For the year ended		
	31st March, 2022	31st March, 2021	31st March, 2020
Income from continuing operations			
Revenue from operations	7,275.54	3,099.99	3,053.85
Other Income	1.04	1.55	1.00
Total Revenue	7,276.58	3,101.54	3,054.85
Expenses			
Cost Of Material Consumed	6766.67	3122.08	3116.17
Change in Inventories	89.15	-164.25	-221.70
Employee benefits expense	60.96	40.80	38.35
Finance Costs	67.43	35.31	38.92
Other expenses	134.32	61.38	76.24
Depreciation and amortisation expenses	0.62	0.72	0.88
Total Expenses	7,119.15	3,096.04	3,048.86
Restated profit before tax from continuing operations	157.43	5.50	5.99
Exceptional Item			
Tax expense/(income)			
Current tax	40.74	3.08	0.09
Deferred tax charge/(credit)			
Total tax expense		3.08	0.09
Restated profit after tax from continuing operations (A)	116.69	2.42	5.90

**RESTATED STANDALONE SUMMARY STATEMENT OF CASH FLOWS**

(₹ In Lacs)

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Net profit before taxation from continuing operations (as restated)	157.43	5.50	5.99
<b>A. NON CASH ADJUSTMENTS TO RECONCILE PROFIT BEFORE TAX TO NET CASH FLOWS</b>			
Depreciation and amortisation expense	0.62	0.72	0.88
Interest income	-0.86	-0.95	-0.86
Dividend Income	Nil	Nil	Nil
Other Adj. of non cash Item	Nil	Nil	Nil
Interest expense	67.43	35.31	38.92
preliminary exp	Nil	Nil	Nil
<b>Operating profit before working capital changes (as restated)</b>	<b>224.62</b>	<b>40.58</b>	<b>44.93</b>
<b>Movement in Working Capital</b>			
(Increase)/decrease in Inventories	89.14	(164.25)	(221.70)
(Increase)/decrease in trade receivables	(1,202.70)	(374.65)	(235.30)
(Increase)/decrease in loans and advances	(34.46)	(88.96)	24.13
(Increase)/decrease in LT loans and advances	Nil	Nil	Nil
(Increase)/decrease in Other Current Assets	Nil	Nil	Nil
(Increase)/decrease in non current Investments	Nil	Nil	Nil
Increase/(decrease) in trade payables	1,125.13	346.54	78.17
Increase/(decrease) in Other Current Liabilities	86.56	(0.67)	(2.00)
Increase/(decrease) in Short term provisions	Nil	Nil	Nil
Increase/(decrease) in Long Term liability	Nil	Nil	Nil
<b>Cash flow from operations</b>	<b>288.29</b>	<b>(241.41)</b>	<b>(311.77)</b>
Direct taxes paid (including fringe benefit taxes)	(1.74)	(1.83)	(0.09)



paid) (net of refunds)			
Dividend and Dividend Distribution Tax	Nil	Nil	Nil
<b>Net cash generated from operating activities (A)</b>	<b>286.55</b>	<b>(243.24)</b>	<b>(311.86)</b>
<b>B. CASH FLOW USED IN INVESTING ACTIVITIES</b>			
Purchase of fixed assets, including intangible assets, capital work in progress and capital advances	(0.68)	(0.51)	(0.03)
Sale of Assets	Nil	Nil	Nil
(Purchase)/Sale of investments	Nil	Nil	Nil
Interest received	0.86	0.95	0.86
Dividend Income	Nil	Nil	Nil
<b>Net cash used in investing activities (B)</b>	<b>0.18</b>	<b>0.44</b>	<b>0.83</b>
<b>C. CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES</b>			
Proceeds from Long term Borrowings	(35.83)	32.16	50.86
Proceeds from Short term Borrowings	(187.93)	253.46	305.10
Proceeds from issue of Share Capital and Reserve and Surplus	Nil	Nil	Nil
Share Capital & Share Application Money	Nil	Nil	Nil
Dividend and Dividend Distribution Tax	Nil	Nil	Nil
Adjustment in reserve and surplus	Nil	Nil	Nil
Interest paid	(67.43)	(35.31)	(38.92)
<b>Net cash generated from/(used in) financing activities (C)</b>	<b>(291.19)</b>	<b>250.31</b>	<b>317.04</b>
<b>Net increase/(decrease) in cash and cash equivalents ( A + B + C )</b>	<b>(4.46)</b>	<b>7.51</b>	<b>6.01</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>25.32</b>	<b>17.81</b>	<b>11.80</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>20.86</b>	<b>25.32</b>	<b>17.81</b>

## GENERAL INFORMATION

Our Company was originally incorporated as “Dipan Pharmachem Private Limited” under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated July 19, 2011 bearing Corporate Identification Number U24100GJ2011PTC066400 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Subsequently, the name of company was changed to “Dipna Pharmachem Private Limited” and a fresh certificate of incorporation was issued by Registrar of Companies, Gujarat, Dadra and Nagar Havelli on March 29, 2012. After that, our Company was converted from Private limited to Public Limited pursuant to a special resolution passed by our shareholders at the EGM held on May 13, 2022 and consequently the name of our Company was changed as “Dipna Pharmachem Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Ahmedabad dated May 25, 2022. For further details, please refer the chapter titled “History and Certain Corporate Matters” beginning on page 78 of this Draft Prospectus.

The Corporate Identification Number of our Company is U24100GJ2011PLC066400

### Registered & Corporate Office of our Company

#### DIPNA PHARMACHEM LIMITED

A/211, Siddhi Vinayak Complex, Near D.A.V. School,  
Makarba, Ahmedabad – 380 055, Gujarat, India

CIN: U24100GJ2011PLC066400

Tel No: +91-9898066121

Website: [www.dipnapharmachem.com](http://www.dipnapharmachem.com)

E-mail: [info@dipnapharmachem.com](mailto:info@dipnapharmachem.com)

### ADDRESS OF REGISTRAR OF COMPANIES

#### Registrar of Companies

Our Company is registered with the Registrar of Companies, Ahmedabad located at:

Registrar of Companies

ROC Bhavan, Opp. Rupal Park Society,

Behind Ankur Bus Stop, Naranpura,

Ahmedabad - 380013, Gujarat, India

### Board of Directors of our Company

Our Board of Directors comprises of the following directors as on the date of filing of this Draft Prospectus

Sr No	Name	Designation	DIN	Address
1.	Keyur Dipakkumar Shah	Managing Director	03167258	29, Devpriya Bunglows -2, Opp. Vishal Residency Tower, Anandnagar Char Rasta, Satellite, Ahmedabad – 380 015, Gujarat, India
2.	Dipna Keyur Shah	Non- Executive Director	02507462	29, Devpriya Bunglows -2, Opp. Vishal Residency Tower, Anandnagar Char Rasta, Satellite, Ahmedabad – 380 015, Gujarat, India
3.	Nandish Shaileshbhai Jani	Independent Director	09565657	15 Arasuri Society, Near Vyasvadi Nava Vadaj, Naranpura, Ahmedabad – 380 013, Gujarat, India
4.	Chinu Kalal	Independent Director	09568622	Swagat Vatika Road, Banjariya, Kherwara, Udaipur – 313 803, Rajasthan, India

For further details of our Directors, please refer chapter titled “Our Management” beginning on page 81 of this Draft Prospectus.

**Company Secretary and Compliance Officer**  
**Khushboo Jethaliya**

**Dipna Pharmachem Limited**

A/211, Siddhi Vinayak Complex, Near D.A.V. School,

Makarba, Ahmedabad – 380 055, Gujarat, India

**Tel No:** +91-9898066121**Website:** [www.dipnapharmachem.com](http://www.dipnapharmachem.com)**E-mail:** [info@dipnapharmachem.com](mailto:info@dipnapharmachem.com)

*Note: Investors can contact our Company Secretary and Compliance Officer, 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, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode etc.*

**ALL GRIEVANCES RELATING TO THE ASBA PROCESS AND UPI PAYMENT MECHANISM 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, UPI ID (IF APPLICABLE), PAN, DATE OF THE ASBA FORM, ADDRESS OF THE APPLICANT, NUMBER OF EQUITY SHARES APPLIED FOR AND THE NAME AND ADDRESS OF THE DESIGNATED INTERMEDIARY WHERE THE ASBA FORM WAS SUBMITTED BY THE ASBA APPLICANT.**

**Further, the investors shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents/ information mentioned above.**

<b>Lead Manager to the Issue</b>	<b>Registrar to the Issue</b>
<b>Interactive Financial Services Limited</b> <b>Address:</b> 612, 6th Floor, Shree Balaji Heights, Kokilaben Vyas Marg, Ellisbridge, Ahmedabad - 380 009,Gujarat, India <b>Tel No.:</b> +91-9898055647 <b>Web Site :</b> <a href="http://www.ifinservices.in">www.ifinservices.in</a> <b>Email :</b> <a href="mailto:mbd@ifinservices.in">mbd@ifinservices.in</a> <b>Investor Grievance Email:</b> <a href="mailto:info@ifinservices.in">info@ifinservices.in</a> <b>Contact Person:</b> Mr. Pradip Sandhir <b>SEBI Registration No:</b> INM000012856	<b>Bigshare Services Private Limited</b> <b>Address:</b> Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400093 <b>Tel No:</b> +91 22-62638200 <b>Fax No</b> +91 22-62638299 <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>E-Mail:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Investor Grievance Email:</b> investor@bigshareonline.com <b>Contact Person:</b> Mr. Aniket Chindarkar <b>SEBI Registration No:</b> INR000001385
<b>Legal Advisor to the Issue</b>	<b>Statutory Auditor</b>
<b>Neelkanth Rajiv Mehta, Advocate</b> <b>Address:</b> “Shivsadan” Bangalow No. 17, Phase-B, Santosa Greenland, Nr. Science City Circle, S.P. Ring Road, Ahmedabad-380060. <b>M:</b> +91-9924899336 <b>Email Id:</b> mehtaneelkanth@gmail.com <b>Contact Person:</b> Mr. Neelkanth Mehta <b>Bar Council No.:</b> G/985/2013	<b>M/s B.S Jain &amp; Co., Chartered Accountants</b> <b>Address:</b> 701/B, Mahalay Complex, Opp. Hotel President, C.G. Road, Navrangpura, Ahmedabad – 380 009, Gujarat, India <b>Tel No:</b> +91 79-3604942, <b>E-Mail:</b> <a href="mailto:bsjainandco@gmail.com">bsjainandco@gmail.com</a> <b>Membership No.:</b> 138988 <b>Firm Registration No.:</b> 132174W <b>Contact Person:</b> Mr. Bhavesh Jain
<b>Peer Reviewed Auditor</b>	<b>Bankers to the Company</b>
<b>M/s Bhagat &amp; Co., Chartered Accountants</b> <b>Address:</b> 24, Laxmi Chamber, Navjivan Press Road, Near Old High Court, Income-Tax, Ahmedabad – 380 014, Gujarat, India <b>Tel No.:</b> +91 079-27541551 <b>Email:</b> <a href="mailto:bhagatco2014@gmail.com">bhagatco2014@gmail.com</a> <b>Membership No.:</b> 052725 <b>Firm Registration No.:</b> 127250W <b>Peer Review No:</b> 012958 <b>Contact Person:</b> Mr. Shankar Prasad Bhagat	<b>Indusind Bank Ltd</b> <b>Address:</b> Indusind Bank Ltd, 3 <sup>rd</sup> floor, Parkar House, Law Garden Road, New Panchvati Circle, Ahmedabad – 380009. <b>Tel:</b> 079- 98250647 <b>Fax No.:</b> 020- 26343201 <b>Email id:</b> shah.krupa@indusind.com <b>Contact Person:</b> Ms. Krupa shah <b>Designation:</b> Relationship Manager <b>Website:</b> www.indusind.com
<b>Bankers to the Issue and Refund Banker and Sponsor Bank</b>	

**ICICI Bank Limited**

**Address:** Capital Market Division, 1st Floor, 122,  
Mistry Bhavan, Dinshaw Vachha Road, Backbay, Reclamation,  
Churchgate, Mumbai - 400020

**Tel:** 022-66818911/23/24

**Fax No.:** 022-22611138

**Email id:** [sagar.welekar@icicibank.com](mailto:sagar.welekar@icicibank.com)

**Contact Person:** Mr. Sagar Welekar

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

**SYNDICATE MEMBER(S)**

No Syndicate Member have been appointed as on the date of this Draft Prospectus.

**DESIGNATED INTERMEDIARIES****Self-Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>.

Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link.

The list of banks that have been notified by SEBI to act as SCSBs for the UPI process provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the designated intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and its updated from time to time.

**Registered Broker**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicant can submit Application form through stock broker network of the Stock Exchange i.e Registered Broker at the Broker center.

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

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

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI ( [www.sebi.gov.in](http://www.sebi.gov.in)), and updated from time to time.

For details on RTA, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>.

**Collecting Depository Participants**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

**Inter-Se Allocation of Responsibilities**

Interactive Financial Services Limited being the sole Lead Manager to this issue shall be undertaking all activities in relation to this issue. Hence, the statement of inter-se allocation of responsibilities among Lead Manager is not required.

### **Credit Rating**

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

### **IPO Grading**

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

### **Monitoring Agency**

As per regulation 262(1) of SEBI (ICDR) Regulations, the requirement of monitoring agency is not mandatory if the Issue size is up to ₹ 10,000 Lakhs. Since the Issue size is only of ₹1520.76 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per section 177 of the Companies Act, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue.

### **APPRAISING ENTITY**

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

### **Expert Opinion**

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

Our Company has received a written consent from our Peer Review Auditor, M/s Bhagat & Co., Chartered Accountants, with respect to their report on the Restated Financial Statements dated July 05, 2022 and written consent from our statutory auditor M/s B.S Jain & co with respect to the Statement of Tax Benefits dated June 10, 2022, to include their name in this Draft Prospectus, as required under Companies Act read with SEBI ICDR Regulations as “Expert”, defined in section 2(38) of the Companies Act and such consent has not been withdrawn as on the date of this Draft Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

### **Trustee**

Since this is not a debenture issue, appointment of debenture trustee is not required.

### **Changes in Auditors during the Last Three Years**

The statutory auditor of the Company Mr. S.R Sanghvi & Co. has resigned as auditor on April 01, 2022 with immediate effect and M/s. B.S Jain & Co, Chartered Accountants, has been appointed as Statutory Auditor of the Company.

### **Filing of Draft Offer Document/ Offer Document**

- a) The Draft Prospectus and Prospectus shall be filed with SME Platform of BSE Limited (“BSE SME”) situated at Phiroze Jeejeebhoy Towers, Dalal St, Kala Ghoda, Fort, Mumbai - 400001, Maharashtra, India.
- b) A soft copy of Draft Prospectus shall be submitted to SEBI. However, SEBI will not issue any observation on the offer document in term of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Further, a soft copy of the Draft Prospectus and Prospectus along with relevant documents shall be filed with SEBI pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.
- c) A copy of the Prospectus along with the material contracts and documents referred elsewhere in the Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the

Registrar of Companies, Ahmedabad, Gujarat, India situated at RoC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus-Stop, Naranpura, Ahmedabad – 380 013, Gujarat, India.

## Underwriters

Our Company and the LM to the Issue hereby confirm that the Issue is 100% Underwritten. The Underwriting agreement is dated July 01, 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 Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Name and Address of the Underwriter	Indicative Number of Equity Shares Underwritten*	Amount Underwritten (₹in Lakhs)	% of the Net Issue size Underwritten
<b>Interactive Financial Services Limited</b> 612, 6th Floor, Shree Balaji Heights, Kokilaben Vyas Marg, Ellisbridge, Ahmedabad - 380 009, Gujarat, India Tel No.: +91-9898055647 Web Site : <a href="http://www.ifinservices.in">www.ifinservices.in</a> Email : <a href="mailto:mbd@ifinservices.in">mbd@ifinservices.in</a> Investor Grievance Email: <a href="mailto:info@ifinservices.in">info@ifinservices.in</a> Contact Person: Pradip Sandhir SEBI Registration No: INM000012856	4,00,2000	1520.76	100%
<b>Total</b>	<b>4,00,2000</b>	<b>1520.76</b>	<b>100%</b>

\*Includes 2,04,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker on its own account in order to comply with the requirements of Regulation 261 of SEBI (ICDR) Regulations 2018.

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

## WITHDRAWAL OF THE ISSUE

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

## Market Maker

Our Company and the Lead Manager have entered into an agreement dated July 01, 2022 with the following Market Maker, duly registered with BSE to fulfill the obligations of Market Making:

### Sernet Financial Services Private Limited

B/ 201 Hemu Classic Premises CS Ltd, Opp. New Era Cinema,  
 S.V. Road, Malad(West), Mumbai-400064,  
 Maharashtra, India

**Tel No:** +91 22 35000567, 9321106767

**Email:** [compliance@sernetindia.com](mailto:compliance@sernetindia.com)

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

**Contact Person:** Mr. Bhavesh A Vora

**SEBI Registration No:** INZ000189331

Sernet Financial Services Private Limited is registered with BSE SME as a Market Maker and has agreed to receive or deliver the Equity Shares in the market making process for a period of three (3) years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

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

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the trading hours in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of SME Platform of BSE Limited and SEBI from time to time. The Market Maker spread (i.e., the difference between the buy and the sell quote) shall not be more than 10% in compliance with the Market Maker spread requirements or as specified by BSE SME and/or SEBI from time to time.
3. 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 he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. The minimum lot size in the IPO is 3,000 Equity Shares, thus, the minimum depth of the quote shall be such an amount that the minimum lot of 3,000 Equity Shares is met, until the same is revised by BSE SME.
4. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME Platform (in this case currently the minimum trading lot size is 3,000 equity shares; however, the same may be changed by the SME Platform of stock exchange from time to time).
5. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size (including the 2,04,000 Equity Shares to be allotted under this Issue to the Market Maker). Any Equity Shares allotted to Market Maker under this Issue over and above 5% of Issue Size would not be taken into consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.
6. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, the stock exchange may intimate the same to SEBI after due verification. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
7. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, the stock exchange may intimate the same to SEBI after due verification. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
8. There would not be more than five (5) Market Makers for a scrip of the company at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
9. The Market Maker shall start providing quotes from the day of the listing / the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the Exchange.
10. The Equity Shares of the Issuer will be traded in continuous trading session from the time and day the Issuer gets listed on BSE SME and Market Maker will remain present as per the guidelines mentioned under BSE Limited and SEBI circulars or amended from time to time.

11. The Market Maker shall not buy the Equity Shares from the Promoters or Promoter Group of the Issuer or any person who has acquired Equity Shares from such Promoter or Promoter Group, during the Compulsory Market Making Period
12. The Promoters' holding of the Issuer which is locked-in shall not be eligible for offering to Market Maker during the Compulsory Market Making period. However, the Promoters' holding of the Issuer which is not locked in as per SEBI ICDR Regulations can be traded with prior permission of the BSE SME, in the manner specified by SEBI from time to time.
13. The LM, if required, has a right to appoint a nominee director on the Board of the Issuer any time during the Compulsory Market Making period provided it meets requirements of the SEBI ICDR Regulations.
14. The Market Maker shall not be responsible to maintain the price of the Equity Shares of the Issuer at any particular level and is purely supposed to facilitate liquidity on the counter of the Issuer via its 2-way quotes. The price shall be determined and be subject to market forces.
15. 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 withdrawal on account of force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
16. The Market Maker(s) shall have the right to terminate said arrangement by giving a (1) one month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.
17. 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 SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our office from 11.00 a.m. to 5.00 p.m. on working days.
18. **Risk containment measures and monitoring for Market Makers:** BSE SME Exchange will have all margins, which are applicable on the BSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
19. **Punitive Action in case of default by Market Makers:** BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular Equity Shares of the Company as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.  
  
The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
20. 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



- i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

21. 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 BSE SME.

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

22. After completion of the first three months of market making, in terms of SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; the Market Maker shall be exempt from providing buy quote on attaining the prescribed threshold limits (including the mandatory allotment of 5% of Equity Shares of the Offer). Further, the Market Maker can offer buy quotes only after the Market Maker complies with prescribed re-entry threshold limits. Only those Equity Shares which have been acquired by the Market Maker on the platform of the SME Exchange during market making process shall be counted towards the Market Maker's threshold. The Market Maker shall be required to provide two way quotes during the first three months of the market making irrespective of the level of holding.

23. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time. The call auction is not applicable of those companies, which are listed at SME platform.

24. 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.

25. Further, the following shall apply to Market Maker while managing its inventory during the process of market making:

- a) The exemption from threshold as per table below shall not be applicable for the first three (3) months of the Compulsory Market Making Period and the Market Maker shall be required to provide two-way quotes during this period irrespective of the level of holding.
- b) Threshold for market making as per table below will be inclusive of mandatory inventory of 5% of Issue Size at the time of Allotment in the Issue.
- c) Any initial holdings over and above such 5% of Issue size would not be counted towards the inventory levels prescribed
- d) Apart from the above mandatory inventory, only those Equity Shares which have been acquired on the platform of the Exchange during market making process shall be counted towards the Market Maker's threshold.
- e) Threshold limit will be taken into consideration, the inventory level across market makers.
- f) The Market Maker shall give two way quotes till it reaches the upper limit threshold, thereafter it has the option to give only sell quotes.
- g) Two way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

- h) In view of the market making obligation, there shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process on the platform of the Exchange, the Exchange may intimate the same to SEBI after due verification.

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of Issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of Issue size)
Upto ₹ 2,000 Lakhs	25 %	24 %
₹. 2,000 Lakhs to ₹. 5,000 Lakhs	20 %	19 %
₹. 5,000 Lakhs to ₹. 8,000 Lakhs	15 %	14 %
Above ₹.8,000 Lakhs	12 %	11 %

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

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

## CAPITAL STRUCTURE

Our Equity Share Capital before the issue and after giving effect to the issue, as on the date of filing of this Draft Prospectus, is set forth below:

*Amount (₹ in Lacs except share data)*

Sr. No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price
<b>A.</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	1,20,00,000 Equity Shares of face value of ₹10 each	1200.00	
<b>B.</b>	<b>ISSUED, SUBSCRIBED &amp; PAID-UP SHARE CAPITAL BEFORE THE ISSUE</b>		
	79,68,000 fully paid Equity Shares of face value of Rs. 10 each	796.80	
<b>C.</b>	<b>PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS#</b>		
	Issue of 40,02,000 Equity Shares of face value of ₹10 each at a premium of ₹ 28 per share	400.20	1520.76
	<b>Which Comprises:</b>		
(I)	Reservation for Market Maker 2,04,000 Equity Shares of face value of ₹10 each at a premium of ₹ 28 will be available for allocation to Market Maker	20.40	77.52
(II)	Net Issue to the Public 37,98,000 Equity Shares of face value of ₹10 each at a premium of ₹ 28 per share	379.80	1443.24
	<b>Of Net Issue to the Public</b>		
(I)	18,99,000 Equity Shares of face value of ₹10 each at a premium of ₹ 28 per share shall be available for allocation for Investors applying for a value of upto ₹ 2 Lakh	189.90	721.62
(II)	18,99,000 Equity Shares of face value of ₹10 each at a premium of ₹ 28 per share shall be available for allocation for Investors applying for a value above ₹ 2 Lakh	189.90	721.62
<b>D.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE PRESENT ISSUE</b>		
	1,19,70,000 Equity Shares of ₹10 each	1197.00	
<b>E.</b>	<b>SHARE PREMIUM ACCOUNT</b>		
	Share Premium account before the Issue		12.00
	Share Premium account after the Issue		1132.56

### Details of Changes in Authorized Share Capital:

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

Sr. No.	Date of Change	AGM / EGM	Changes in authorized Capital
1.	On Incorporation (July 19 <sup>th</sup> 2011)	-	The authorized capital of our company on incorporation comprised of Rs. 1,00,000/- consisting of 10,000 Equity shares of Rs. 10 each.
2.	January 5 <sup>th</sup> , 2016	EGM	The authorized share capital of Rs. 1,00,000/- consisting of 10,000 Equity Shares of Rs. 10/- each was increased to Rs. 3,50,000/- consisting of 35,000 Equity shares of Rs.10/- each.

3.	February 22 <sup>nd</sup> , 2022	EGM	The authorized share capital of Rs. 3,50,000/- consisting of 35,000 Equity Shares of Rs.10/- each was increased to Rs. 5,00,00,000/- consisting of 50,00,000 Equity shares of Rs.10/- each.
4	April 19 <sup>th</sup> , 2022	EGM	The authorized share capital of Rs. 5,00,00,000/- consisting of 50,00,000 Equity Shares of Rs. 10/- each was increased to Rs. 12,00,00,000/-consisting of 1,20,00,000 Equity shares of Rs.10/- each

**Note:**

The present issue of 40,02,000 equity shares in terms of this Draft Prospectus has been authorized by a resolution of our Board dated May 16, 2022 and by a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General meeting by the shareholders of our Company held on June 07, 2022.

The company has one class of share capital i.e. Equity Shares of Face value of Rs.10/- each only. All equity shares issued are fully paid-up.

Our Company has no outstanding Convertible Instruments as on date of this Draft Prospectus.

**NOTES TO THE CAPITAL STRUCTURE:**

**1. Share Capital History:**

**Our existing Share Capital has been subscribed and allotted as under:**

Date of Allotment	No. of Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reason / Nature of Allotment	Cumulative No. of Equity Shares
On Incorporation (July 19, 2011)	10,000	10	10	Cash	Subscription to MoA <sup>1</sup>	10,000
January 19, 2016	25,000	10	100	Cash	Preferential allotment <sup>2</sup>	35,000
April 05, 2022	16,25,000	10	40	Cash	Right Issue <sup>3</sup>	16,60,000
April 20, 2022	49,80,000	10	-	Other than Cash	Bonus Issue <sup>4</sup>	66,40,000
May 14, 2022	13,28,000	10	-	Other than Cash	Bonus Issue <sup>5</sup>	79,68,000

<sup>1.</sup> Initial Subscribers to Memorandum of Association subscribed 10,000 Equity Shares of face value of Rs.10/- each fully paid at par as per the details given below:

Sr. No	Name of the Person	No of Shares Subscribed
1.	Keyur Shah	5,000
2.	Dipna Shah	5,000
<b>Total</b>		<b>10,000</b>

<sup>2.</sup> Further Allotment as on January 19, 2016 of 25,000 Equity Shares of face value of Rs. 10 each fully paid up at a price of Rs 100/- per share including premium of Rs. 90/- per share, the details are given below:

Sr. No	Name of the Person	No of Shares Subscribed
1.	Keyur Shah	12,500
2.	Dipna Shah	12,500
<b>Total</b>		<b>25,000</b>

3. Further Allotment on right basis as on April 05, 2022 of 16,25,000 Equity Shares of face value of Rs. 10 each fully paid up at a price of Rs 40/- per share including premium of Rs. 30/- per share, the details are given below:

Sr. No	Name of the Person	No of Shares Subscribed
1.	Keyur Shah	10,00,000
2.	Dipna Shah	6,25,000
<b>TOTAL</b>		<b>16,25,000</b>

Note: (applicants were required to pay Rs. 10/- per equity share on Allotment out of which Rs. 2.5/- per equity share being adjusted towards the face value of the equity share and Rs. 7.5/- being adjusted towards the share premium account per equity share and balance on allotment of shares).

4. Bonus Issue of 49,80,000 Equity Share in the ratio of 3:1 as on April 20, 2022 as per the details given below:

Sr. No	Name of the Person	No of Shares Subscribed
1.	Keyur Shah	30,52,500
2.	Dipna Shah	19,27,500
<b>Total</b>		<b>49,80,000</b>

5. Bonus Issue of 13,28,000 Equity Share in the ratio of 1:5 as on May 14, 2022 as per the details given below:

Sr. No	Name of the Person	No of Shares Subscribed
1.	Keyur Shah	8,14,000
2.	Dipna Shah	5,14,000
<b>Total</b>		<b>13,28,000</b>

## 2. Equity Share Issued for consideration other than cash:

- a) Except as set out below, our Company has not issued Equity Shares for consideration other than cash.

Date of Allotment	No. of Shares Allotted	Face Value	Type of Issue
April 20, 2022	49,80,000	10	Bonus Issue
May 14, 2022	13,28,000	10	Bonus Issue

- b) Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

3. Further, our Company has not allotted any Equity Shares pursuant to any scheme approved under section 230-234 of the Companies Act, 2013.
4. Our Company has not issued any Equity Shares during a period of one year preceding the date of the Prospectus at a price lower than the Issue price. However, our company has issued Bonus Shares during a period of one year preceding the date of the Draft Prospectus:

Date of Allotment	No. of Shares Allotted	Face Value	Type of Issue
April 19, 2022	49,80,000	10	Bonus Issue
May 14, 2022	13,28,000	10	Bonus Issue

## 5. Our Shareholding Pattern:

The shareholding pattern of our company in accordance with Regulation 31 of SEBI (LODR) Regulations, 2015, as on July 14, 2022:

**i. Summary of Shareholding Pattern:**

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 shares 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) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights	Total as a % of (A+B+C)				No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Promoter & Promoter Group	4	79,67,700	0	0	79,67,700	100.00	79,67,700	0	0	100.00	0	0		0	0	0.00
(B)	Public	3	300	0	0	300	0.00	300	0	0	0.00	0	0	0	0	0	0.00
(C)	Non Promoter-Non Public	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A		0
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A		0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A		0
	<b>TOTAL</b>	<b>7</b>	<b>79,68,000</b>	<b>0</b>	<b>0</b>	<b>79,68,000</b>	<b>100</b>	<b>79,68,000</b>	<b>0</b>	<b>0</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>N.A</b>	<b>N.A</b>		<b>0.00</b>

**Note:** Our Company will file shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity Shares. The Shareholding pattern will be uploaded on the website of BSE before commencement of trading of such equity shares.

**6. The shareholding pattern before and after the Issue:**

Sr. No	Name of share holder	Pre-issue		Post Issue	
		No of equity shares	As a % of Issued Capital	No of equity shares	As a % of Issued Capital
<b>(i) Promoter</b>					
8.	Keyur Shah	4884000	61.30	4884000	40.80
	<b>TOTAL (A)</b>	<b>4884000</b>	<b>61.30</b>	<b>4884000</b>	<b>40.80</b>
<b>(ii) Promoter Group</b>					
9.	Dipna Shah	3083500	38.70	3083500	25.76
10.	Chaitanya Nanavati	100	0.00	100	0.00
11.	Dhara Shah	100	0.00	100	0.00
	<b>TOTAL (B)</b>	<b>3083700</b>	<b>38.70</b>	<b>3083700</b>	<b>25.76</b>
<b>(iii) Public</b>					
12.	Nrupesh Shah	100	0.00	100	0.00
13.	Saumil Shah	100	0.00	100	0.00
14.	Saurabh Shah	100	0.00	100	0.00
	<b>TOTAL (C)</b>	<b>300</b>	<b>0.00</b>	<b>300</b>	<b>0.00</b>
	<b>IPO (D)</b>			40,02,000	33.44
	<b>TOTAL (A+B+C+D)</b>	<b>7968000</b>	<b>100.00</b>	<b>11970000</b>	<b>100.00</b>

**7. Details of Major Shareholders**

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

Sr.No.	Name of shareholder	No. of Shares	% of Shares Capital
1.	Keyur Shah	4884000	61.30
2.	Dipna Shah	3083500	38.70
<b>TOTAL</b>		<b>7967500</b>	<b>100.00</b>

- ii. List of Shareholder holding 1.00% or more of the paid-up capital of the company ten days prior to the date of the Draft Prospectus:

Sr.No.	Name of shareholder	No. of Shares	% of Shares Capital
1.	Keyur Shah	4884000	61.30
2.	Dipna Shah	3083500	38.70
<b>TOTAL</b>		<b>7967500</b>	<b>100</b>

- iii. List of Shareholder holding 1.00% or more of the paid-up capital of the company as on June 30, 2021 i.e. one years prior to the date of the Draft Prospectus:

Sr.No.	Name of shareholder	No. of Shares	% of Shares Capital
1.	Keyur Shah	17,500	50.00
2.	Dipna Shah	17,500	50.00
<b>TOTAL</b>		<b>35,000</b>	<b>100.00</b>

- iv. List of Shareholder holding 1.00% or more of the paid-up capital of the company as on June 30, 2020 i.e. two years prior to the date of the Draft Prospectus:

Sr.No.	Name of shareholder	No. of Shares	% of Shares Capital
1.	Keyur Shah	17,500	50.00
2.	Dipna Shah	17,500	50.00
<b>TOTAL</b>		<b>35,000</b>	<b>100.00</b>

8. As on date of this Draft Prospectus, there are no outstanding warrants, options or rights to convert a debentures, loans or other financial instruments into our Equity Shares.
9. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure within 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 ventures, 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.

#### 10. Share Capital Build-up of our Promoter & Lock-in

Our Promoter had been allotted Equity Shares from time to time. The following is the Equity share capital build-up of our Promoters.

Date of Allotment / Transfer	Nature of Issue/ Allotment (Bonus, Rights etc)	Consideration	No. of Equity Shares	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue/ Transfer Price	% of total Issued Capital		Lock In
							Pre-Issue	Post-Issue	
<b>Keyur Shah</b>									
July 19, 2011	On Incorporation	Cash	5000	5000	10	10	0.06	0.04	3 year
January 19, 2016	Preferential Allotment	Cash	12500	17500	10	100	0.16	0.10	3 year
April 05, 2022	Right Issue	Cash	1000000	1017500	10	40	12.55	8.35	3 year
April 20, 2022	Bonus Issue	Other than Cash	1377500	2395000	10	-	17.29	11.51	3 year
			1675000	4070000			21.02	13.99	1 year
May 14, 2022	Bonus Issue	Other than Cash	814000	4884000	10	-	10.22	6.80	1 year
<b>TOTAL (A)</b>			<b>4884000</b>				<b>61.30</b>	<b>40.80</b>	

Note: All the Equity Shares allotted and held by our Promoters were fully paid at the time of allotment and none of the Equity Shares held by our Promoters are pledged.

11. None of our Promoter, Promoters Group, Directors and their relatives have purchased or sold the equity share of our company during the past six months immediately preceding the date of filing Draft Prospectus except mentioned below;

Date of Transfer	Name of Transferor	Name of Transferee	No of Share	Transfer Price	Consideration
May 01, 2022	Dipna Shah	Chaitanya Nanavati	100	40	4000
May 01, 2022	Dipna Shah	Dhara Shah	100	40	4000
May 01, 2022	Dipna Shah	Nrupesh Shah	100	40	4000



May 01, 2022	Dipna Shah	Saumil Shah	100	40	4000
May 01, 2022	Dipna Shah	Saurabh Shah	100	40	4000

12. The members of the Promoter Group, our Directors or the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months preceding the date of filing of the Draft Prospectus.

**13. Lock in of Promoters:**

a) As per clause (a) Regulation 238 of the SEBI (ICDR) Regulations and in terms of the aforesaid table, an aggregate of 20.00% of the post-Issue Equity Share Capital of our Company i.e. 23,95,000 equity shares shall be locked in by our Promoter for three years. The lock-in shall commence from the date of allotment in the proposed public issue and the last date of lock-in shall be reckoned as three years from the date of commencement of commercial production or the date of allotment in the public issue whichever is later. (“Minimum Promoters’ contribution”).

The Promoters’ contribution has been brought in to the extent of not less than the specified minimum amount and has been contributed by the persons defined as Promoter under the SEBI ICDR Regulations. Our Company has obtained written consents from our Promoters for the lock-in of 23,95,000 Equity Shares for three years. The Equity Shares that are being locked in are not ineligible for minimum promoters contribution in terms of Regulation 237 of the SEBI (ICDR) Regulations, 2018. In connection, we confirm the following.

- The equity shares offered for minimum 20% promoters contribution have not been acquired in the preceding three years before the date of prospectus for consideration other than cash and revaluation of assets or capitalisation of intangible assets is involved in such transaction nor resulted from a bonus issue by utilisation of revaluation reserves or unrealized profits of the issuer or from bonus issue against equity shares which are ineligible for minimum promoters’ contribution;
- The minimum promoters Contribution does not include Equity Shares acquired by our Promoters during the preceding one (1) year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue;
- The minimum promoters Contribution does not include Equity shares pledged with any creditor.

**b) Equity Shares of Promoter locked-in for one year**

In addition to 20.00% (23,95,000) of the post-Issue shareholding of our Company shall be locked-in for three years as the minimum Promoters’ contribution, the balance Pre-Issue Paid-up Equity Share Capital i.e. 24,89,000 Equity Shares, would be locked-in for a period of one year from the date of Allotment in the proposed Initial Public Offering as provided in clause (b) of Regulations 238 of SEBI (ICDR) Regulations, 2018.

**14. Lock-in of securities held by persons other than the promoters :**

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 Offer. Accordingly 30,84,000 Equity shares 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 Offer.

**15. Transferability of Lock-in securities:**

a) In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 238 of the SEBI (ICDR) Regulations, 2018, may be transferred to another Promoters or any person of the promoter group or a new promoter or a person in control of the issuer company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable.

- b) In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by persons other than the Promoters' prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable.

#### **16. Other requirements in respect of 'lock-in'**

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018 the locked-in Equity Shares held by our Promoter can be pledged only with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the following:

- If the specified securities are locked-in in terms of clause (a) of Regulation 238 of the SEBI (ICDR) Regulations, 2018, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the issue and the pledge of specified securities is one of the terms of sanction of the loan;
  - If the specified securities are locked-in in terms of clause (b) of Regulation 238 of the SEBI (ICDR) Regulations, 2018, and the pledge of specified securities is one of the terms of sanction of the loan.
17. In terms of regulations 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms the securities issued in dematerialized form then the lock-in will be recorded by the depository.
18. Our Company, our Directors and the Lead Manager to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company.
19. All the Equity Shares of our Company are fully paid up equity shares as on the date of the Draft 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.
20. Neither the Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of the Draft Prospectus.
21. 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.
22. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines
23. As per RBI regulations, OCBs are not allowed to participate in this Issue.
24. 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.
25. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
26. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.

- 27.** No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
- 28.** Our Promoter and the members of our Promoter Group will not participate in this Issue.
- 29.** As on date of this Draft Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
- 30.** Our Company shall ensure that transactions in the Equity Shares by the Promoter Group between the date of filing Draft Prospectus with the Registrar of Companies and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.
- 31.** None of our Key Managerial holds any Equity Shares in our Company.
- 32.** As on date of this Draft Prospectus, our Company have 7 Shareholders.

## SECTION IV - PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The present Public Issue of 40,02,000 Equity Shares at an issue price of ₹38/- per Equity Share.

**Our Company proposes to utilize the Net Proceeds from the issue towards the following objects:**

1. Working capital requirement
2. General Corporate Purpose,
3. Meeting Public Issue Expenses.

(Collectively referred to as “Objects”)

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

#### Net Proceeds

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

Sr. No.	Particulars	Estimated Amount (₹ In lakhs)
3.	Gross proceeds from the issue	1520.76
4.	Less: Issue related expenses	45.76
<b>Net proceeds of the issue</b>		<b>1475.00</b>

#### Requirement of funds and utilization of Net Proceeds

Sr. No.	Particulars	Estimated Amount (₹ In lakhs)
3.	Working capital requirement	1110.00
4.	General corporate purposes	365.00
<b>Total utilization of net proceeds</b>		<b>1475.00</b>

The fund requirements mentioned above are based on internal management estimates of our Company and have not been verified by the lead manager or appraised by any bank or financial institution or any other external agency. Given the dynamic nature of our business and our Company, we may have to revise the estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In addition, the estimated dates of completion of various plans 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.

In the event of shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilizing our internal accruals or seeking debt financing.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please see the section titled “Risk Factors” beginning on page. 17 of this Draft Prospectus.

#### Schedule of implementation and Deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(₹ In lakhs)

Sr. No.	Particulars	Total Estimated Cost	Amount already deployed	Estimated utilization of net proceeds in FY 2022-2023
1.	Working capital requirement	1110.00	0	1110.00
2.	General corporate purposes <sup>1</sup>	365.00	0	365.00
	<b>Total</b>	<b>1475.00</b>	<b>0</b>	<b>1475.00</b>

<sup>1</sup>The amount utilized for general corporate purposes shall not exceed 25.00% of the gross proceeds of the issue.

As indicated above, our Company proposes to deploy the entire Net Proceeds towards the objects as described in the Financial Year 2022-23. In the event that the estimated utilization of the Net Proceeds in a Financial Year 2022-23 is not completely met, the same shall be utilized, in part or full, in the next Financial Year or a subsequent period towards the Objects.

### Means of Finance

In the event of a shortfall in raising the requisite capital from the Net Proceeds, towards meeting the objects of the Issue, the extent of the shortfall will be met by internal accruals or debt. In case of any surplus of monies received in relation to the Fresh Issue, we may use such surplus towards general corporate purposes.

We confirm that there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations 2018 and Clause 9(C) of Part A of Schedule VI of the SEBI ICDR Regulations, 2018 through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the issue.

### DETAILS OF THE OBJECTS OF THE ISSUE

#### 1) WORKING CAPITAL REQUIREMENTS

Our Company is engaged in trading and distribution of wide range of pharmaceutical raw material and chemical formulation products. As on March 31, 2022 the Company's net working capital consisted of ₹1188.62 Lakhs as against the ₹1295.75 lakhs as on March 31, 2021. The Net working capital requirement for current financial year F.Y. 2022-23 is estimated to be Rs. 2276.70 Lakhs. As on the date of this Draft Prospectus we meet our working capital requirements in the ordinary course of its business from capital, internal accruals, unsecured loans, working capital loans from the Banks etc.

Basis of estimation of working capital requirement and estimated working capital requirement:

(₹ In Lacs)

Particulars	F.Y 2019-20	F.Y 2020-21	F.Y 2021-22	F.Y 2022-23 (Estimated)
Current Assets				
Inventories	555.25	719.50	630.36	1802.74
Trade Receivables	1120.13	1494.78	2697.48	3698.63
Cash and Bank Balance	17.81	25.32	20.86	20.00
Short Term Loans and Advances	146.72	235.68	270.14	100.00
Total Currents Assets (A)	<b>1839.91</b>	<b>2475.28</b>	<b>3618.84</b>	<b>5621.37</b>
Less: Current Liabilities				
Trade Payables	831.33	1177.87	2303.00	3167.67
Other Current Liabilities	1.08	0.41	86.97	87.00
Short Term Provisions	-	1.25	40.25	90.00
Total Current Liabilities (B)	<b>832.41</b>	<b>1179.53</b>	<b>2430.22</b>	<b>3344.67</b>

Net Working Capital (A-B)	1007.50	1295.75	1188.62	2276.70
Less : Bank Borrowing	280.28	305.06	396.20	396.00
Balance	727.22	990.69	792.42	1880.70
Financed through Capital Internal Cash Accruals	50.48	53.11	169.74	170.00
Long term and short term borrowings	676.74	937.58	622.68	600.70
Fund Through IPO				1110.00

#### Assumptions for working capital requirements

Particulars	No of months holding period				Justification for Holding
	F.Y. 2019-2020	F.Y.2020-21	F.Y. 2021-22	F.Y. 2022-23 (Estimated)	
Finished Goods	70	89	34	70	Estimate for 2022-23 is on the basis of stocking period of 2019-20, the year which was normal. The stocking period of 2021-22 was not considered as the price is fluctuating and the company has adopted to have inventory at minimum level so as to avoid the price fluctuation loss.
Trade Receivables	134	176	135	135	Estimate for 2022-23 is on the basis of period given to the clients in the FY 2021-22. The Company in order to increase the volume of business has to provide credit facilities to the Customers.
Trade Payables	105	145	123	123	Estimate for 2022-23 is on the basis of period enjoyed by the company from the suppliers. The growth of business will also help the company to enjoy credit facility from the suppliers.

## 2. General Corporate Purposes

In terms of the SEBI ICDR Regulations, the extent of the Net Proceeds proposed to be used for general corporate purposes is estimated not to exceed 25.00% of the proceeds of the issue.

Our management will have flexibility in applying Rs. 365.00 lakhs of the Net Proceeds towards general corporate purposes, including but not restricted to financing working capital requirements, capital expenditure, acquiring business premises, meeting exigencies etc or any other purpose as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

Our management in accordance with the policies of the Board, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company from time to time.

### Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹45.76 lakhs. The expenses of this include, among others, underwriting and lead manager fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated issue expenses are as follows:

Activity	Estimated expenses (₹ in lakhs)	As a % of total estimated issue related expenses	As a % of Gross Issue Size
Lead Manger Fees including Underwriting Commission.	17.70	38.68	1.16
Brokerage, selling commission and upload fees	2.00	4.37	0.13
Registrar to the Issue	1.00	2.19	0.07
Legal Advisors	3.00	6.56	0.20
Advertising and marketing expenses	5.00	10.93	0.33
Regulators including stock exchanges	10.00	21.85	0.66
Printing and distribution of issue stationary	1.06	2.32	0.07
Others (Market Making fees etc.)	6.00	13.10	0.39
<b>Total estimated issue related expenses</b>	<b>45.76</b>	<b>100.00</b>	<b>3.01</b>

#### Notes

- The fund deployed up to June 30, 2022 is Rs. 2,67,438/- towards issue expenses vide certificate dated June 30, 2022 having UDIN: 22138988AMFSFT1381 received from M/s B S Jain & Co. Chartered Accountants.
- Structure for commission and brokerage payment to the SCSBs Syndicate, RTAs, CDPs and SCSBs

ASBA applications procured directly from the applicant and Bided (excluding applications made using the UPI Mechanism, and in case the Offer is made as per Phase I of UPI Circular)	₹10 per application on wherein shares are allotted
Syndicate ASBA application procured directly and bided by the Syndicate members (for the forms directly procured by them)	₹10 per application on wherein shares are allotted
Processing fees / uploading fees on Syndicate ASBA application for SCSBs Bank	₹10 per application on wherein shares are allotted
Sponsor Bank shall be payable processing fees on UPI application processed by them	₹ 5 per application on wherein shares are allotted

- No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them
- The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.
- Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price

#### Interim use of Net Proceeds

Our Company in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. The Net Proceeds pending utilization for the purposes described above, in accordance with the SEBI ICDR Regulations, our Company shall deposit the funds only in one or more Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

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

#### Bridge Financing Facilities

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

#### Appraisal Report

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

### **Monitoring Utilization of Funds**

As this is a Fresh Issue for less than ₹ 10,000 lakhs, we are not required to appoint a monitoring agency for the purpose of the Issue in terms of the SEBI ICDR Regulations.

Our Board and Audit committee shall monitor the utilization of the net proceeds of the Issue. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant financial years subsequent to the completion of the Issue.

Pursuant to SEBI Listing Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a quarterly basis, a statement indicating (i) deviations, if any, in the utilization of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the utilization of the proceeds from the Issue from the Objects. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee of the Board of Directors.

### **Variation in Objects**

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

None of our suppliers / service providers for utilization of Issue proceeds for various Objects of the Issue are associated in any manner with our Company or any other related party directly or indirectly.

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 Companies or Key Managerial Employees. 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 Companies in relation to the utilization of the Net Proceeds of the Issue.

### **Other Confirmation**

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, Associates, Key Management Personnel or Group Companies except in the normal course of business and in compliance with the applicable law.



## BASIS FOR ISSUE PRICE

The Issue Price of ₹38.00/- per Equity Share is determined by our Company, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is ₹10.00/- per Equity Share and Issue Price is ₹38.00/- per Equity Share. The Issue Price is 3.8 (Three point Eight) times the face value.

Investors should refer sections / chapters titled “*Risk Factors*”, “*Restated Financial Statements*”, “*Management Discussion and Analysis of Financial Condition and Results of Operations*” and “*Business Overview*” beginning on page 17, 94,108 and 66 respectively of this Draft Prospectus to get an informed view before making an investment decision.

The trading price of the Equity shares of our Company could decline due to risk factors and you may lose all or part of your investments.

### Qualitative Factors

Some of the Qualitative Factors, which form the basis for computing the price was

- Diversified Product Portfolio.
- Experienced Promoter.
- Quality Service.
- High Level of Customer Satisfaction.

For further details, please refer to the paragraph titled “*Our Competitive Strengths*” in the chapter titled “*Business Overview*” beginning on page 66 of this Draft Prospectus.

### Quantitative Factors

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

#### 1) Basic and Diluted Earnings Per Share (EPS)

Year ended	Basic and Diluted EPS (Pre Bonus)	Weights	Basic and Diluted EPS (Post Bonus)\$	Weights
March 31, 2020	16.86	1	0.07	1
March 31, 2021	6.91	2	0.03	2
March 31, 2022	333.40	3	1.46	3
<b>Weightage Average EPS</b>		<b>171.81</b>		<b>0.75</b>

**Note.** Basic and Diluted EPS = Net Profit (Loss) after tax as restated attributable to Equity Shareholders / weighted average no of equity shares outstanding during the year as per restated financials.

\$ The above ratios have been adjusted for issuance of further 16,25,000 Equity Shares at a price of ₹ 40 per share on April 05,2022 and bonus of 63,08,000 Equity Shares on April 20, 2022 and May 14, 2022.

#### 2) Price to Earnings (P/E) ratio in relation to Issue Price ₹38.00/- per Equity Share of ₹10.00/- each fully paid up

Particulars	P/E ratio
Pre Bonus	
P/E ratio based on Basic and diluted EPS as at March 31, 2022	0.11

P/E ratio based on Weighted Average Basic and diluted EPS	0.22
<b>Post Bonus</b>	
P/E ratio based on Basic and diluted EPS as at March 31, 2022	26.03
P/E ratio based on Weighted Average Basic and diluted EPS	50.55
<b>**Industry</b>	
Highest	107.51
Lowest	31.33
Average	69.42

\*Not Annualized

\*\*Industry comprise of Earum Pharmaceuticals Limited and A-1 Acid Limited on BSE Limited

### 3) Return on Net worth (RoNW)

Return on Net Worth (RoNW) as per restated financial statements (Standalone)

Year Ended	RONW (%)	Weight
March 31, 2020	10.78	1
March 31, 2021	4.23	2
March 31, 2022	67.12	3
<b>Weighted Average</b>		<b>36.77</b>

Note: Return on Networth has been calculated as per the following formula:

- 1) Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / Net worth as restated as at year end.
- 2) Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.

### 4) Net Asset Value (NAV)

Particulars	₹ per Share Pre Bonus	₹ per share Post Bonus
Net Asset Value per Equity Share as of March 31, 2022	496.74	10.34
Net Asset Value per Equity Share after IPO	19.59	19.59
Issue Price	38	38

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

$$\text{NAV} = \frac{\text{Net worth excluding revaluation reserve}}{\text{Outstanding number of Equity shares outstanding during the year}}$$

### 5) Comparison with industry peers

Companies	CMP	EPS	PE Ratio	RONW (%)	NAV (Per Share)	Face Value	Total Income (₹ in Lakhs)
Dipna Pharmachem Limited	**38.00	333.40	0.11	67.12	496.74	10.00	7276.58
<b>Peer Group</b>							
Earum Pharmaceuticals Limited	*4.48	0.14	31.33	0.81	23.51	10.00	5001.58
A-1 Acid Limited (542012)	293.50	2.73	107.51	6.79	40.21	10.00	14518.00

\*\* CMP of our Company is considered as Issue Price

\*CMP as on June 17, 2022

Source: [www.bseindia.com](http://www.bseindia.com)

**Notes:**

- a) *Considering the nature and size of the business of our Company the peers are not strictly comparable. However, above company is included for broad comparison.*
- b) *The figures for Dipna Pharmachem Limited are based on the restated standalone financial statements for the year ended March 31, 2022.*
- c) *The figures for the Earum Pharmaceuticals Limited and A-1 Acid Limited are based on the Standalone financial statements for the year ended March 31, 2021 filed with BSE Stock Exchange.*
- d) *NAV is computed as the closing net worth divided by the closing outstanding number of equity shares. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves) and as attributable to the owners of the Company.*
- e) *P/E Ratio for the peer has been computed based on the closing market price of respective equity shares as on June 17, 2022 sourced from website of Stock Exchange as divided by the Basic/diluted EPS as applicable.*
- f) *RoNW is computed as net profit after tax, as attributable to the owners of the Company divided by closing net worth. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves) and as attributable to the owners of the Company.*

For further details, please refer section titled “Risk Factors” beginning on page 17 of this Draft Prospectus and the financials of the Company including important profitability and return ratios, as set out in the section titled “Restated Financial Statements” beginning on page 94 of this Draft Prospectus to have more informed view about the investment proposition. The Face Value is Rs.10.00/- per Equity Share and the Issuer Price Rs. 38.00/- has been determined by the Issuer in consultation with the Lead Manager and is justified by the company in consultation with the Lead Manager on the basis of above information.

## STATEMENT OF TAX BENEFITS

To,  
**The Board of Directors,**  
**Dipna Pharmachem Limited**  
A/211, Siddhi Vinayak Complex,  
Near D.A.V. School,  
Makarba, Ahmedabad - 380055

Dear Sir,

**Sub: Statement of Possible Special Tax Benefits available to Dipna Pharmachem Limited ('the Company') and its shareholders prepared in accordance with the requirements in Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended ('SEBI ICDR 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 read with Income Tax Rules, Circulars, Notifications ('Act') as amended by the Finance Act, 2022, 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.

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

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

- A. the Company or its shareholders will continue to obtain these benefits in future; or
- B. the conditions prescribed for availing the benefits have been/would be met.
- C. The revenue authorities/court will concur with the views expressed herein

The contents of the enclosed 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 do not assume responsibility to update the views, 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 or intentional misconduct.

We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" ("Guidance Note") issued by the Institute of Chartered Accountants of India. The

Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

This report including enclosed annexure is intended for your information and for inclusion in the 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, B S JAIN & CO.**

**Sd/-  
Proprietor  
Chartered Accountants  
Membership No: 138988  
Firm Regn No.:132174W**

**Place: Ahmedabad  
Date: June 10, 2022  
UDIN: 22138988ALCNAT4565**

## ANNEXURE

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

Outlined below are the possible special tax benefits available to Company and its shareholders under Tax Act 1961 (“the Act”) presently in force in India.

#### **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

#### **Note:**

- The above statement of Direct Tax Benefits sets out the special tax benefits available to the Company and its shareholders under the current tax laws presently in force in India.
- The above statement covers only above-mentioned tax laws benefits and does not cover any indirect tax law benefits or benefit under any other law.
- Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

## SECTION V – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we, the Lead Manager or any of our or their respective affiliates or advisors nor any other person connected with Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect.*

*Before deciding to invest in the Equity Shares, prospective investors should read this entire Prospectus, including the information in the sections "Risk Factors" and "Restated Financial Statements" on pages 17 and 94, respectively of the Draft Prospectus. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' on page 17 of the Draft Prospectus. Accordingly, investment decisions should not be based on such information.*

#### **Summary on Indian Pharmaceuticals:**

The Indian Pharmaceuticals industry plays a prominent role in the global pharmaceuticals industry. India ranks 3rd worldwide for production by volume and 14th by value. The nation is the largest provider of generic medicines globally, occupying a 20% share in global supply by volume, and is the leading vaccine manufacturer globally. India also has the highest number of US-FDA compliant Pharma plants outside of USA and is home to more than 3,000 pharma companies with a strong network of over 10,500 manufacturing facilities as well as a highly skilled resource pool.

The pharmaceutical industry in India offers 60,000 generic brands across 60 therapeutic categories. Major segments include generic drugs, OTC Medicines, API/Bulk Drugs, Vaccines, Contract Research & Manufacturing, Biosimilars and Biologics.

- Incentives worth INR 21,940 Crore (\$3 Mn) are approved
- Expected to reach \$65 bn by 2024, and ~\$120-130 bn by 2030
- Growth rate 10-12%
- Cost of manufacturing ~ 33% lower than western markets
- 18.7% year on year export growth

India is the 4th largest Asian medical devices market after Japan, China, and South Korea and among the top 20 global medical devices markets in the world.

Indian pharma companies enabled by their price competitiveness and good quality, have made global mark, with 60 per cent of the world's vaccines and 20% of generic medicines coming from India.

(Source: [www.investindia.gov.in](http://www.investindia.gov.in)

<https://www.investindia.gov.in/sector/pharmaceuticals#:~:text=The%20Indian%20Pharmaceuticals%20industry%20plays%20a%20prominent%20role,volume%2C%20and%20is%20the%20leading%20vaccine%20manufacturer%20globally.>)

#### **Overview on Pharmaceutical Sector:**

Indian pharmaceutical industry is known for its generic medicines and low-cost vaccines globally. Transformed over the years as a vibrant sector, presently Indian Pharma ranks third in pharmaceutical production by volume. In the last nine years, Indian Pharma sector has grown steadily by CAGR of 9.43%. Pharma sector has been consistently

earning trade surplus. During 2020-21, total pharma export was ₹180555 crore (USD 24.35 Bn) against the total pharma import of ₹49436 crore (USD 6.66Bn), thereby generating trade surplus of USD 17.68 Bn. Till end September 2021, total pharma export has been ₹ 87864 crore (USD 11.88 Bn) as against total import of ₹ 33636 crore (USD 4.66 Bn), there by generating a trade surplus of ₹ 54228 crore (USD 7.22 Bn). Major segments of Indian Pharmaceutical Industry include generic drugs, OTC medicines, bulk drugs, vaccines, contract research & manufacturing, biosimilars and biologics.

Indian pharmaceutical industry also plays significant role globally. India has the highest number of United States Food and Drug Administration (USFDA) compliant Pharma plants outside of USA. There are 500 API manufacturers contributing about 8% in the global API Industry. India is the largest supplier of generic medicines with 20% share in the global supply by manufacturing 60000 different generic brands across 60 therapeutic categories. Access to affordable HIV treatment from India is one of the greatest success stories in medicine. India is one of the biggest suppliers of low cost vaccines in the world. Because of the low price and high quality, Indian medicines are preferred worldwide, thereby rightly making the country the “pharmacy of the world”.

The Indian pharma industry has also played an important role in meeting the challenges for mitigation of the infection in COVID pandemic. The industry worked in close collaboration with the government and academic institutes etc., to quickly develop and refine manufacturing processes which helped to ensure a consistent supply of medicines needed for the management of COVID-19 (e.g. Remdesivir, Ivermectin, Hydroxychloroquine, Dexamethasone, Tocilizumab, Favipiravir etc.). Indian drug supplies throughout the COVID-19 pandemic period have provided relief to over 120 countries for Hydroxychloroquine (HCQ), 20 countries for paracetamol and about 96 countries for vaccines across the world.

**Table -1A**  
**(Pharma Sector’s Growth at Current Prices)**

Item/Year	Output (₹ in Cr.)	Growth Rate
2015-16	3,03,352	16.56
2016-17	3,21,472	5.97
2017-18	3,28,677	2.24
2018-19	3,98,852	21.35
2019-20	3,89,094	-2.45
2020-21*	4,27,109	9.77

\*Estimated based on trend growth rate (CAGR) of output at 9.77% achieved during 2013-14 to 2019-20.

#### Major Credentials of Pharma Industry:

- India provides generic medicines to more than 200 countries
- 8 out of 20 Global Generic companies are from India
- Over 55% Exports to Highly Regulated Markets
- 90% of WHO Pre-Qualified APIs are sourced from India
- 65-70% of WHO’s vaccine requirements are sourced from India
- No. of USFDA approved sites: 741 (as of August 2021)
- No. of ANDA Market Authorizations secured by Indian companies: 4,346 (as on December 2020)

#### Foreign Direct Investment (FDI)

Pharmaceutical is one of the top ten attractive sectors for foreign investment in India. 100% foreign investment is allowed under automatic route in Medical Devices. Foreign investments in pharmaceuticals in green field projects are allowed up to 100% under the automatic route and for brown field pharmaceutical projects, foreign investment beyond 74% to up to 100%, Government approval is required.

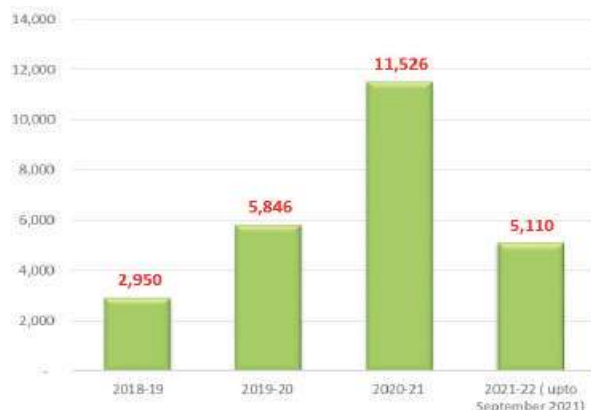
After abolition of Foreign Investment Promotion Board (FIPB) in May 2017, the Department of Pharmaceutical has been assigned the role to consider the foreign investment proposals under the Government approval route. Apart from this, the Department considers all FDI proposals of pharmaceutical sector and medical devices sector arising



out of Press Note 3 dated 17.04.2020 wherein investors/ultimate beneficiaries of the proposals are from the countries sharing land border with India.

The Department of Pharmaceuticals has approved 10 FDI proposals worth ₹7,860 crore inflows under the brownfield pharmaceutical projects during the financial year 2021-22 (till December 2021). The FDI inflows in pharmaceutical sector (pharmaceuticals and medical devices activities) in the last three years under both the routes, government and automatic are as follows:

**Graph -1A**  
**(FDI inflows in Pharmaceutical Sector)**  
**(₹in crore)**



### **Medical Device Industry**

Medical Device industry is a sunrise sector and has the potential of growing highest among all the sectors in the healthcare system. Various categories of devices starting from consumables to implantable medical devices are being manufactured in India. Major manufacturing of medical devices in the country is happening with respect to disposables such as catheters, perfusion sets, extension lines, cannula, feeding tubes, needles, syringes, and implants such as cardiac stents, drug-eluting stents, intra-ocular lenses and orthopedic implants.

The Medical Device industry is highly capital intensive with a long gestation period and requires development/induction of new technologies. The sector also requires continuous training of healthcare system providers to adapt to new technologies. Most of the high technology and innovative products originate from a well-developed ecosystem and innovation cycle, which is yet to be fully developed in India. India depends on imports to an extent of 85% of its domestic requirements of medical devices.

India is one of the fastest growing markets in the global medical devices industry and is expected to grow at a CAGR of 15 per cent. Indian medical devices market stood at USD 11 billion in 2020. Indian Medical Device industry is expected to reach USD 50 Bn by 2030. India is the 4th largest Asian medical devices market after Japan, China, and South Korea and among the top 20 global medical devices markets in the world. Currently, India is exporting ventilators, PPEs, diagnostic kits, sanitizers and surgical gloves (2/3 ply) etc.

### **Drugs Coordination Committee (DCC)**

Looking at the inter-departmental nature of the issues with regard to COVID drug availability, a Drugs Coordination Committee (DCC) was constituted vide OM dated 20.05.2021 as an institutional mechanism with representation from the Department, the Ministry of Health & Family Welfare, the Directorate General of Health Services (DGHS), the Indian Council of Medical Research (ICMR), the Directorate General of Foreign Trade (DGFT), the Ministry of External Affairs (MEA), the CDSCO and the NPPA for efficient decision making on all the issues with respect to COVID-19 related drugs. Meetings of DCC were held from time to time under the chairpersonship of Secretary, DoP on the following issues:

- a) To ascertain the different drugs and their inputs, both in COVID-19 clinical management protocol or otherwise in demand where the pharmaceutical industry needs to be further sensitized to augment production on an urgent basis
- b) To ascertain the various alternatives of the listed drugs in case of the domestic industry to supplement the supply to meet the demand as projected by MoHFW
- c) To operationalize new drug permissions related to COVID -19 management given by DCGI for speedy manufacturing
- d) To facilitate equitable availability of the drugs across the country
- e) To assess the need to procure and / or import drugs
- f) To facilitate Indian pharmaceutical companies in obtaining raw material, equipment, etc. from foreign countries

**(Source: Annual Report 2020-21, Government of India, Ministry of Chemical & Fertilizer, Department of Pharmaceuticals)**

### **Industry Scenario:**

- The pharmaceutical industry in India is expected to reach \$65 bn by 2024 and to \$120 bn by 2030
- The pharmaceutical industry in India is currently valued at \$41.7 bn.
- India is a major exporter of Pharmaceuticals, with over 200+ countries served by Indian pharma exports. India supplies over 50% of Africa's requirement for generics, ~40% of generic demand in the US and ~25% of all medicine in the UK .
- India also accounts for ~60% of global vaccine demand , and is a leading supplier of DPT, BCG and Measles vaccines. 70% of WHO's vaccines (as per the essential Immunization schedule) are sourced from India.
- Drugs and Pharmaceuticals shares 5.15% of the total exports of the country in the month of April.
- Indian pharma exports witnessed a growth of 103% since 2013-14, from INR 90, 415 Crores in 2013-14 to INR 1,83,422 Crores in 2021-22. Exports achieved in 2021-22 is the Pharma Sector's best export performance ever. It is a remarkable growth with exports growing by almost \$10 bn in 8 years.

### **Growth Drivers:**

- **Government Support**  
Government incentives including an outlay of INR 21940 for PLI 1.0 and PLI 2.0
- **Medical tourism**  
Quality services at marginal costs compared to US, Europe, and South Asia
- **Infrastructure development**  
India has the highest number of US-FDA compliant plants outside the US
- **Strong drug manufacturing**  
Expertise in low cost generic patented drugs as well as end-to-end manufacturing
- **Strong domestic demand**  
Launch of the largest National Health Protection Scheme globally
- **Production Linked Incentive (PLI) Scheme**  
The Indian pharmaceuticals market is supported by the following Production Linked Incentive Schemes to boost domestic manufacturing capacity, including high-value products across the global supply chain.

PLI Scheme for Key Starting Materials (KSMs)/Drug Intermediates (DIs) and Active Pharmaceutical Ingredients (APIs) (PLI 1.0) 2. Production-Linked Incentive (PLI) Scheme for Pharmaceuticals d (PLI 2.0).

- Scheme Outlay INR 6,940 crores - PLI for Bulk Drugs
- Scheme Outlay INR 15,000 crores - PLI Scheme for Pharmaceuticals Manufacturing

(Source: [www.investindia.gov.in](https://www.investindia.gov.in/sector/pharmaceuticals#:~:text=The%20Indian%20Pharmaceuticals%20industry%20plays%20a%20prominent%20role,volume%2C%20and%20is%20the%20leading%20vaccine%20manufacturer%20globally.)  
<https://www.investindia.gov.in/sector/pharmaceuticals#:~:text=The%20Indian%20Pharmaceuticals%20industry%20plays%20a%20prominent%20role,volume%2C%20and%20is%20the%20leading%20vaccine%20manufacturer%20globally.>)

## PHARMA INDUSTRY PROMOTION

Recognizing the potential for growth, the Government of India took up the initiative of developing the Indian Pharmaceuticals sector by creating a separate Department in July 2008. The Department is entrusted with the responsibility of policy, planning, development and regulation of Pharmaceutical Industries. An assessment of the Indian Pharmaceutical Industry's strength reveals the following key features:

- **Strong export market-** India exported drugs worth US\$ 15 billion to more than 200 countries including highly regulated markets in the US, Europe, Japan and Australia. Large Indian pharma companies have emerged as among the most competitive in the evolving generic space in North America and have created an unmatched platform in this space. Indian companies are also making their presence felt in the emerging markets around the world, particularly with a strong portfolio in anti-infective and antiretroviral.
- Large domestic pharma companies have continued to grow, assuming leadership position in many therapies and segments in the Indian market as well as creating a strong international exports back-bone.
- Competitive market with the emergence of a number of second-tier Indian companies with new and innovative business modules.
- Indian players have also developed expertise in significant biologics capabilities.
- Biologic portfolios while still nascent in India are being built with an eye on the future.
- Multinational companies have continued to invest significantly in India and are making their presence felt across most segments of the Indian pharma market. Companies have also begun to invest in increasing their presence in tier II cities and rural areas and making medical care more accessible to a large section of the Indian population.
- Low cost of production.
- Low R&D costs.
- Innovative Scientific manpower.
- Excellent and world-class national laboratories specializing in process development and development of cost-effective technologies.
- Increasing balance of trade in Pharma sector.
- An efficient and cost effective source for procuring generic drugs, especially the drugs going off patent in the next few years.
- An excellent center for clinical trials in view of the diversity in population.

### Experience & Expertise

India is the only country with largest number of US-FDA compliant plants (more than 262 including APIs) outside of USA. We have nearly 1400 WHO-GMP approved Pharma Plants, 253 European Directorate of Quality Medicines (EDQM) approved plants with modern state of the art Technology. No other country can boast of such an infrastructure.

Thus Indian pharma companies have a wide variety of experience in manufacturing as per global standards. Through intensive competition in the Indian market, Indian companies are experienced in the manufacturing of a variety of formulations that makes them efficient and competitive in their operations.

The Indian pharma market is mature with decades of experience in generics manufacturing, catering to the needs of the general population. These companies have the experience and know-how to produce quality drugs in an efficient, high-quality and cost-effective manner without compromising on any aspect. There are many companies manufacturing drugs for oncology, AIDS and other complex therapies.

### Low cost of manufacture

India is capable of manufacturing low-cost generic alternatives due to a number of economic factors favoring the industry. Some of these include the competitive land rates, the cheap labor available, low resource costs like water, electricity etc., lower cost of production machinery. Importantly, the various drugs like, Intermediates, APIs and Formulation companies are seamlessly integrated while following international regulations of safety.

### **Research & Development**

The Government has taken several policy initiatives for strengthening Research & Development in Pharmaceuticals sector such as fiscal incentives to R&D units sector and streamlining of procedures concerning development of new drug molecules, clinical research and new drug delivery systems leading to new R&D set-ups with excellent infrastructure in the field of original drug discovery.

India has a large branded generics market which enables most companies to launch their version of a generic drug in the market place. Research and Development is an important aspect for development of generics that match the quality and cost targets.

India is now increasingly recognized as a strategic partner in the drug discovery value chain. Further, there are Indian companies which are investing in their R&D centers and are offering early stage discovery services as well as promising molecules. A large scientific pool in India is dedicated to Research and Development of patent non-infringing methodologies for drugs.

### **Highly educated, specialized scientists**

India's rich human capital is the strongest asset for the Indian Pharmaceuticals Industry which is a knowledge-led industry. Various studies show that the scientific talent pool of Indians is the second largest English-speaking group worldwide, after the US. This enables easier access to qualifications that handle the basic work in a plant or an R&D set-up in India. National Institute of Pharmaceutical Education and Research (NIPER) at Mohali is a premier institute in the field of Pharmaceuticals. The institute is a member of Association of Commonwealth Universities. NIPER Mohali is offering Masters level programs and PhD programs in 15 streams. The laboratories here are fully equipped with modern facilities and the available facilities are of international level and standards. Further, six new National Institutes of Pharmaceutical Education and Research (NIPER) were opened in 2007. Recently, three new NIPERs have been proposed in the states of Maharashtra, Rajasthan and Chattisgarh.

### **Experience in International Servicing**

Many of the Indian pharmaceutical companies are experienced in servicing top multinational companies for their highly regulated markets, meeting their stringent quality expectations. The same experience enables Indian organizations to cater to the needs of the regulatory authorities of most nations across the world. Further, technical consultancy capability of NIPERs is contributing to the growth of the industry.

Indian clinical trials industry has developed a complete gamut of clinical research services capabilities of global standards. From medical writing to site management, data management, regulatory submissions to patient recruitment the expertise meets the highest standards of stringent regulatory conditions internationally.

There is an effective control system to monitor the quality of pharmaceuticals at all the levels in India. There are various agencies/ bodies under Ministry of Health & Family Welfare and Department of Pharmaceuticals. They are responsible for standard of drugs, market authorizations, import licenses, cGMP, monitoring of quality of drugs & cosmetics manufactured, pre & post licensing inspection, and price control etc. The recent initiatives through new legislations and optimized processes are targeted towards regulating the industry better and effectively.

Drugs have to comply with stringent quality provisions under the Drugs and Cosmetic Act of India. Any drug including API conforms to the specifications of the prescribed pharmacopeias or those claimed on the label ensuring that all the products manufactured in India are of highest quality. All the pharmaceutical products are inspected at the customs port of the country by competent authorities before they are shipped out.

(Source: <https://pharmaceuticals.gov.in/pharma-industry-promotion>)

## BUSINESS OVERVIEW

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in the section titled “Risk Factors” on page 17 of this Draft 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 section title “Risk Factors” and the chapters titled “Restated Financial Statement” and “Management Discussion and Analysis of Financial Conditions and Results of Operations” beginning on page no 17, 94 and 108 of this Draft Prospectus.

In this chapter, unless the context requires otherwise, any reference to the terms “We”, “Us”, “Our” and “Dipna” are to M/s. Dipna Pharmachem Limited. Unless stated otherwise, the financial data in this section is as per our Restated Financial Statements prepared in accordance with Indian Accounting Policies set forth in the Draft Prospectus.

### OVERVIEW

#### Company Background

Our Company was originally incorporated as ‘Dipna Pharmachem Private Limited’ as Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated July 19, 2011 bearing Corporate Identification Number U24100GJ2011PTC066400 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The name of the Company was changed to “Dipna Pharmachem Private Limited” and a fresh certificate of Incorporation was issued on March 29, 2012 bearing Corporate Identification Number U24100GJ2011PTC066400 by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted in to a public limited company pursuant to a special resolution passed by our shareholders at the EGM held on May 13, 2022 and consequently the name of our company was changed to “Dipna Pharmachem Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Ahmedabad dated May 25, 2022. The CIN of the Company is U24100GJ2011PLC066400.

Our Company is engaged in the trading and distribution of wide range of pharmaceutical raw material which is also known as APIs (Active Pharmaceutical Ingredients), Excipient and chemical formulation products. Presently our product portfolio comprises of 61 AIPs and AIPs intermediates such as Cephalosporins, Cardiovasculars, Anti – Bacteria, Quinolones, Veterinary, Anti – Virus, Anti – Inflammatory, Neuropsychiatry, Steroid Hormone, other etc. Being a trading and distribution company, we have pan India market for our products. The Company had also started the selling of chemicals on commission basis in the Financial year 2022 the Company had earned commission income of ₹ 127.50 lacs. The Company is doing trading in Ahmedabad and surrounding area of Ahmedabad.

#### OUR PRODUCTS:

AIPs is known as bulk drugs or bulk actives are the principle ingredients used in making finished dosages in the form of capsules, tablets, liquid or other forms of dosage, with the addition of other APIs or inactive ingredients. We believe that timely and committed delivery is an ongoing process of building and sustaining relationships. Our strength lies in understanding the requirements of the customer and our execution capabilities. This has enabled us to get repeated orders from our existing customers and attract new customers.

An active ingredient is the ingredient in a pharmaceutical drug or pesticide that is biologically active. The similar terms active pharmaceutical ingredient and bulk active are also used in medicine, and the term active substance may be used for natural products.

The financial performance of the company for the last three years

( ₹in

Lacs)

Particulars	2021-22	2020-21	2019-20
Total Income	7275.54	3099.99	3053.85

EBDITA	225.48	41.53	45.79
Profit Before Tax	157.43	5.50	5.99
Profit After Tax	116.69	2.42	5.90

The Company is doing trading in Pharmaceutical raw material and Industrial chemical. The detailed break up of the trading of two different commodities is given below.:

(Amount in ₹)

Year	Raw Material	% Raw Material	Industrial Chemical	% Industry Chemical	Total
2019-20	215838979	70.68	89546327	29.32	305385306
2020-21	222094303	71.65	87876812	28.35	309971115
2021-22	559977880	78.34	154826665	21.66	714804545

### Components of Drugs

All drugs contain two parts:

- API
- Excipient – These are chemically inactive substances that help deliver the API to the system. Eg. lactose, mineral oil, etc.

Intermediate is the chemical substance that is in the process of becoming an API from a raw material. Sometimes, many intermediates are produced before the final API is manufactured.

### COVID-19

We are supplying raw materials to pharmaceutical industries and pharmaceutical industry falls under the essential business list declared by the Government. We have continued our business operation during Covid -19 during lock down period. Our business was not affected during the Covid-19 period .

### OUR COMPETITIVE STRENGTHS:

#### *Diversified Product Portfolio*

Our Company has diverse product portfolio across various segments to fulfil customer's requirements. Our offerings include wide range of pharmaceutical raw material which is also known as APIs (Active Pharmaceutical Ingredients) and chemical formulation products. We supply products on the basis of needs and requirements in the market. Our product range in formulations allows our existing customers to source majority of their product requirements from us and also enables us to expand our business from existing customers as well as address a larger base of potential new customers.

#### *Experienced Promoter*

The Promoter of our Company, Mr. Keyur Shah has significant in depth knowledge of the various products traded by the Company and has been instrumental in the consistent growth of our Company's performance. He has an overall experience of more than 2 decade in the trading segments of pharmaceutical business. We believe that our promoters's experience and their understanding of the pharmaceutical business will enable us to continue to take advantage of both current and future market opportunities. Our promoter is actively involved in the business with continuous personal attention.

#### *Quality Service*

We believe in providing quality and timely service to our customers. We have set very high standards for ourselves when it comes to timeliness and quality of service we provide to our customers. The stringent systems ensure that all the products reach our customers on stipulated time and there are minimum errors to ensure reduced product rejection. We believe that our quality service for the last 2 decades have earned us a goodwill from our customers, which has resulted in customer retention and order repetition. It has also helped us to add to our existing customer base. We have developed internal procedure of checking the client orders at each stage from customer order to

delivery. Our company focuses on maintaining the level of consistency in our service, thereby building customer loyalty for our Brand.

### **High level of customer satisfaction**

Our customers are highly satisfied with our services from purchase order to quality to delivery to customer complaint redressal mechanism. We have been able to achieve this customer satisfaction with the help on timely deliveries, ease of placing orders, and our stellar customer services.; this has helped in creating a customer base from various categories such as retailers, semi-wholesalers, etc.

### **OUR BUSINESS STRATEGY:**

#### ***Develop cordial relationship with our Suppliers, Customer and employees***

We believe in maintaining good relationship with our Suppliers and Customers which is the most important factor to keep our company growing. Our dedicated and focused approach and efficient and timely delivery of products has helped us build strong relationships over number of years. We bag and place repetitive order with our customers as well as with our suppliers respectively. For us, establishing strong, mutually beneficial long-term relationships and strategic supplier relationship management are critical steps in improving performance across the supply chain, generating greater cost efficiency and enabling the business to grow and develop.

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

We believe in transparency, commitment and coordination in our work, with our suppliers, customers, government authorities, banks, financial institutions etc. We have a blend of experienced and sufficient staff for taking care of our day to day operations. We also consult with external agencies on a case to case basis on technical and financial aspects of our business. We wish to make it sounder and stronger in times to come.

#### ***Leveraging our Marketing skills and Relationships***

This is a continuous process in our organization and the skills that we impart in our people to give prime importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction. We plan to increase our customers base by supplying orders in hand on time, maintaining and renewing our relationship with existing clients.

#### ***Focus on dealing in quality standard products***

Quality of the product is very important for the company from both customer point of view and growth point of view. Our Company is focused on dealing in the products which meets with the requisite quality standards as per the applicable regulatory norms. Providing the desired and good quality products help us in enhancing our Company's image and maintaining long term relationships with customers.

### **RAW MATERIAL:**

We source the material from vendors and manufacturers of chemical and formulation as per the order and specification. Our products are available in India.

We carefully assess the reliability of all materials purchased to ensure that the regulatory and legal requirements are complied with, and they comply with the rigorous quality and safety standards required for our products. In an effort to manage risks associated with raw materials supply, we work closely with our suppliers to help ensure availability and continuity of supply while maintaining quality and reliability as well as identifying any potential for improvement.

Generally, there are multiple sources that can supply the raw materials that we require. Our raw material sourcing is not dependent on a single source of supply, and we have access to alternate sources for our procurement of raw materials.

The % of top 10 Buyers and Suppliers of Our Company are as under:

(in ₹)

Particulars	Purchase / Sales					
	2019-20	%	2020-21	%	2021-22	%
Top 10 Buyers	1483.85	48.59	1166.48	37.63	4427.96	61.95
Top 10 suppliers	1999.31	64.16	1331.15	42.64	3337.62	49.32

#### CAPACITY UTILIZATION:

As we do not have any own manufacturing facility and we are mainly engaged in trading business, thus any specific data relating to capacity and capacity utilization does applicable to our Company.

#### PLANT & MACHINERY:

As on date of Draft Prospectus, Our Company does not possess any plant & machinery.

#### INFRASTRUCTURE FACILITIES:

##### Location

##### Registered Office:

A/211, Siddhi Vinayak Complex, Near D.A.V. School, Makarba, Ahmedabad - 380055.

##### Godown Address:

C/124, Sagar Estate -1, Sarkhej, Vil. Sarkhej – Okaf (M+OG), Ahmedabad.

##### Water:

Water is required for the drinking and fire purpose. Water supply requirement is being fulfilled through water supplied by our municipal corporation only.

##### Power:

Our Registered Office has power connection of 8.00 KW from Torrent Power Limited. As on date of this Draft Prospectus our Company does not required much power supply and power failure does not affect the business of our Company.

#### HUMAN RESOURCES:

Human resource is an asset to any industry, sourcing and managing is very important task for the management. We believe that our employees are the key to the success of our service.

As on April 30, 2022, we have the total strength of permanent employees 13 in various departments. The details of which is given below:

Sr. No.	Particulars	Employees
1)	Sale -Purchase Department	3
2)	Account Department	4
3)	Logistic Department	3
4)	Office Staff	2
5)	Manager	1
	<b>Total</b>	<b>13</b>

#### COLLABORATIONS/TIE UPS/ JOINT VENTURES:

As on date of this Draft Prospectus, our Company has not entered into any Collaboration/ Tie-Ups/ Joint Ventures.



## **EXPORT OBLIGATION:**

As on date of this Draft Prospectus, Our Company does not have any export obligation.

## **SALES AND MARKETING:**

The efficiency of the marketing and sales network is critical to the success of our Company. Our success lies in the strength of our relationship with our sales channels that are associated with our Company. Our sales and marketing team is dedicated to pursue and enhance our business in Gujarat. Our team through their experience and good rapport with clients owing to timely and quality delivery of products plays an instrumental role in creating new sales orders and expanding the current volume of our business year on year. In order to maintain good relation with customers, our promoters and our marketing team regularly interacts with them and focuses on gaining an insight into the additional needs of customers.

### **Our Marketing Strategies:**

We intend to focus on following marketing strategies:

1. Focus on expanding Business at Gujarat Level
2. Continuously holding market trends
3. Supply of Quality Products
4. Fulfillment of Order in a timely manner
5. Adapting to market dynamics

## **COMPETITION:**

Trading and distribution of wide range of pharmaceutical raw material which is also known as APIs (Active Pharmaceutical Ingredients) and chemical formulation products is highly competitive industry. Also, we operate in a competitive industry where our competitors may have greater resources than those available to us. While product quality, brand value, etc are key factors in client's decisions among competitors, however price plays a deciding factor in most cases, which is most favorable to us as our business structure is such that we can survive in thinner profit margin as compared to our competitors. Apart from Sustained ability to offer competitive prices, other Competitive Advantage includes ability to supply wide range of products and timely delivery of products etc.

## **INTELLECTUAL PROPERTY RIGHTS:**

For details of Intellectual Property Rights, please refer to chapter titled "Government and Other Statutory Approvals" on page 125 of this Draft Prospectus.

### **Details of Immovable Property:**

The Company does not own any immovable property.

### **The details of the properties taken on Leased are given below:**

<b>Particulars</b>	<b>Details</b>
<b>Name of the Parties (Lessor)</b>	Dipna Pharmachem Private Limited
<b>Name of Lessee</b>	Keyur Dipakkumar Shah
<b>Registered Office</b>	A/211, Siddhi Vinayak Complex, Near D.A.V. School, Makarba, Ahmedabad - 380055.
<b>Date of agreement</b>	May14, 2022
<b>Lease Rent</b>	₹ 10,500/-
<b>Usage</b>	Registered Office
<b>Area (Approx)</b>	113.34 sq.mts

<b>Period</b>	01/01/2022 to 29/12/2022
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<b>Particulars</b>	<b>Details</b>
<b>Name of the Parties (Lessee)</b>	Dipna Pharmachem Private Limited
<b>Name of Lessor(s)</b>	Manankumar J Parikh HUF and Naineshkumar P Patel
<b>Go-down Address</b>	C/124, Sagar Estate -1, Sarkhej, Vil. Sarkhej – Okaf (M+OG), Tal. Ahmedabad, Dist. Ahmedabad.
<b>Date of agreement</b>	April 11, 2022
<b>Lease Rent</b>	₹ 23,000/-
<b>Usage</b>	Godown
<b>Area (Approx)</b>	167.44 sq.mts
<b>Period</b>	01/04/2022 to 30/03/2027

### Insurance

<b>Particulars</b>	<b>Details</b>
<b>Name of the Insurance Company</b>	Reliance General Insurance Family
<b>Name of Insured</b>	Dipna Pharmachem Private Limited
<b>Policy No</b>	160222129110000828
<b>Type of Policy</b>	Burglary Insurance Policy
<b>Validity Period</b>	16/12/2021 to 15/12/2022
<b>Premium Paid (Rs)</b>	Rs. 1,982 /-
<b>Sum Insured</b>	Rs. 1,40,00,000/-
<b>Insured Address</b>	B/95, Sagar Estate, B/h Relief Hotel, Sarkhej Sanand Chokdi, Sarkhej, Sanand, Gujarat- 382210.

<b>Particulars</b>	<b>Details</b>
<b>Name of the Insurance Company</b>	National Insurance Company Limited
<b>Name of Insured</b>	Dipna Pharmachem Private Limited
<b>Policy No</b>	302100422110001685
<b>Type of Policy</b>	Group Personal Accident
<b>Validity Period</b>	From 07/08/2021 To 06/08/2022
<b>Premium Paid (Rs)</b>	Rs. 5,948/-
<b>Sum Insured</b>	Rs. 28,00,000/-
<b>Insured Address</b>	A/211, Siddhi Vinayak Complex, Near D.A.V.School, S.G. Highway, Makarba Road, Ahmedabad, Gujarat -380001

## **KEY INDUSTRY REGULATIONS AND POLICIES**

The statements produced below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions and may not be exhaustive, and are only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain.

We are subject to a number of Central and State legislations which regulate substantive and procedural aspects of the business. Additionally, the business activities of our Company require sanctions, approval, license, registration etc. from the concerned authorities, under the relevant Central and State legislations and local bye-laws. For details of Government and Other Approvals obtained by the Company in compliance with these regulations, see section titled “Government and Other Approvals” beginning on page no. 125 of this Draft Prospectus. The following description is a summary of the few relevant regulations and policies as prescribed by the Government of India, and the respective bye laws framed by the local bodies, and others incorporated under the laws of India.

### **INDUSTRY SPECIFIC REGULATIONS**

#### **Drugs and Cosmetics Act, 1940 (“Drugs and Cosmetics Act”) and the Drugs and Cosmetics Rules, 1945 (“DC Rules”)**

The Drugs and Cosmetics Act, and the rules there under, regulate the import, manufacture, and distribution of drugs in India. Mandating the licensing of import, manufacture, and distribution of drugs in India, the Drugs and Cosmetics Act has been promulgated with a view to ensure that all drugs and cosmetics sold in India are safe, effective, and conform to prescribed quality standards. Apart from having elaborate provisions to check the production and distribution of spurious and substandard drugs in India, the Drugs and Cosmetics Act also prescribes the framework governing the regulatory control over the manufacture and sale of drugs. Drugs that may be sold by a pharmacy or a hospital are classified according to the nature of the license granted, details of which are provided as schedules in the Drugs and Cosmetics Act. The Drugs and Cosmetics Act also prescribes various punishments for contravention of its provisions. The DC Rules further mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authorities.

#### **The Drugs (Control) Act, 1950 (“DC Act”)**

The DC Act was enacted to provide for the control of sale, supply and distribution of drugs. The DC Act empowers the Central Government to inter alia declare any drug to be a drug to which this act shall apply and to fix maximum prices and maximum quantities thereof, which may be held or sold, by a dealer or producer. The DC Act also provides for penalties arising due to contraventions of any of the provisions of this Act or of any direction made under authority conferred by this Act, which shall be punishable with imprisonment for a term which may extend to three years, or with fine, or with both.

#### **Drugs (Prices Control) Order, 2013 (“DPCO”)**

The DPCO prescribes inter alia the ceiling price of scheduled formulations, retail price of a new drug for existing manufacturers of scheduled formulations, maximum retail price of scheduled formulations. The DPCO specifies procedures for fixing the ceiling price of scheduled formulations of specified strengths or dosages, retail price of new drug for existing manufacturers of scheduled formulations, and penalties for contravention of its provisions.

#### **Drug Policy, 2002**

The main objectives of the Drug Policy 2002 are several and include ensuring abundant availability at reasonable prices within the country of good quality essential pharmaceuticals of mass consumption. It also concentrates on strengthening the indigenous capability for cost effective quality production and exports of pharmaceuticals by

reducing barriers to trade in the pharmaceutical sector and strengthening the system of quality control over drug and pharmaceutical production and distribution to make quality an essential attribute of the Indian pharmaceutical industry and promoting rational use of pharmaceuticals. The Policy further encourages the R&D in the pharmaceutical sector in a manner compatible with the country's needs and with particular focus on diseases endemic or relevant to India by creating an environment conducive to channelizing a higher level of investment into R&D in pharmaceuticals in India. Creating an incentive framework for the pharmaceutical industry which promotes new investment into pharmaceutical industry and encourages the introduction of new technologies and new drugs is another important aspect which has been examined by this Policy.

#### **Legal Metrology Act, 2009 (“LM Act”)**

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The LM Act and rules framed there under regulate, inter alia, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the license under the LM Act.

#### **The Narcotic Drugs and Psychotropic Substances Act, 1985 (“NDPS Act”)**

The NDPS Act is a legal framework which seeks to control and regulate operations relating to narcotic drugs and psychotropic substances. It prohibits, inter alia, the cultivation, production, manufacture, possession, sale, purchase, transportation, warehousing, consumption, inter-state movement, import into India and transshipment of narcotic drugs and psychotropic substances, except for medical or scientific purposes. It also controls and regulates controlled substances which can be used in the manufacturing of narcotic drugs and psychotropic substances. Offences under the NDPS Act are essentially related to violations of the various prohibitions imposed under the NDPS Act, punishable by either imprisonment or monetary fines or both.

#### **The Essential Commodities Act, 1955 (the “ECA”)**

The ECA empowers the Central Government, to control production, supply and distribution of, trade and commerce in certain essential commodities for maintaining or increasing supplies or for securing their equitable distribution and availability at fair prices or for securing any essential commodity for the defence of India or the efficient conduct of military operations. Using the powers under it, various ministries/departments of the Central Government have issued control orders for regulating production, distribution, quality aspects, movement and prices pertaining to the commodities which are essential and administered by them. The State Governments have also issued various control orders to regulate various aspects of trading in essential commodities such as food grains, edible oils, pulses kerosene, sugar and drugs. Penalties in terms of fine and imprisonment are prescribed under the ECA for contravention of its provisions.

#### **The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 (the “DMRA”)**

The DMRA seeks to control advertisements of drugs in certain cases and prohibits advertisement of remedies that claim to possess magic qualities. In terms of the DMRA, advertisements include any notice, circular, label, wrapper or other document or announcement. It also specifies the ailments for which no advertisement is allowed and prohibits advertisements that misrepresent, make false claims or mislead. Further, the Drugs and Magic Remedies (Objectionable Advertisements) Rules, 1955 have been framed for effective implementation of the provisions of the DMRA.

#### **National Pharmaceuticals Pricing Policy, 2012 (the “2012 Policy”)**

The 2012 Policy replaces the drug policy of 1994 and presently seeks to lay down the principles for pricing of essential drugs specified in the National List of Essential Medicines – 2011 (NLEM) declared by the Ministry of Health and Family Welfare, Government of India and modified from time to time, so as to ensure the availability of such medicines at reasonable price, while providing sufficient opportunity for innovation and competition to support the growth of the Industry. The prices would be regulated based on the essential nature of the drugs rather than the economic criteria/market share principle adopted in the drug policy of 1994. Further, the 2012 Policy will regulate

the price of formulations only, through market based pricing which is different from the earlier principle of cost based pricing. Accordingly, the formulations will be priced by fixing a ceiling price and the manufacturers of such drugs will be free to fix any price equal to or below the ceiling price.

### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWWPPR Act”)**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWWPPR Act”) provides for protection against sexual harassment at the workplace to women and prevention and redressal of complaints of sexual harassment. The SHWWPPR Act defines “Sexual Harassment” to include any unwelcome sexually determined behavior (whether directly or by implication). “Workplace” under the SHWWPPR Act has been defined widely to include government bodies, private and public sector organizations, non-governmental organizations, organizations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals. The SHWWPPR Act requires an employer to set up an “Internal Complaints Committee” at each office or branch, of an organization employing at least 10 employees. The Government in turn is required to set up a “Local Complaint Committee” at the district level to investigate complaints regarding sexual harassment from establishments where our internal complaints committee has not been constituted.

### **The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”)**

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the Micro, Small and Medium Enterprises Development Act, 2006 is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951.

The Central Government has vide its notification numbering 1702(E) dated June 1, 2020 amended the definition of MSME which has come into effect from July 1, 2020.

The revised definition is as under:

- i. a micro enterprise, where the investment in Plant and Machinery or Equipment does not exceed one Crore rupees and turnover does not exceed five Crore rupees;
- ii. a small enterprise, where the investment in Plant and Machinery or Equipment does not exceed ten Crore rupees and turnover does not exceed fifty Crore rupees; and
- iii. a medium enterprise, where the investment in Plant and Machinery or Equipment does not exceed fifty Crore rupees and turnover does not exceed two hundred and fifty Crore rupees.

The MSMED Act also provides for the establishment of the Micro and Small Enterprises Facilitation Council (‘Council’). The Council has jurisdiction to act as an arbitrator or conciliator in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India.

## **LAWS RELATING TO SPECIFIC STATE WHERE ESTABLISHMENT IS SITUATED**

### **The Gujarat Shops and Establishments act of 1948**

The Gujarat Shops and Establishments act of 1948, takes a holistic approach while dealing with Shops and Establishments, it takes into consideration of every situation wherein the employer is placed, thus accordingly designing the provisions for him/her to smoothly run his/her establishment. It also takes into its view sight the conditions of the employees and it makes an attempt to safeguard their rights. Thus all in all the Gujarat Shops and Establishments act is a very balanced legislation that takes into consideration the rights and conditions of both the employer and the employee.

## **The Gujarat State Tax on Professions, Traders, Callings and Employments Rules, 1976**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of Gujarat promulgated this law to structure and formulate the respective professional tax criteria and to collect funds through professional tax. The professional tax is charged on the income of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under this Act (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

Pursuant to Notification No. (GHN-10)PFT-2008-S.3(2)(3)-TH, issued by the Finance Department of Sachivalaya, Gandhinagar, dated 01.04.2008, the Government of Gujarat have specified the rates in column 3, 4 and 5 of the schedule of the Act, as minimum rates which shall be levied by the respective Designated Authorities for the class of person specified in column 2 of schedule of the Act.

### **Professional Tax**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

## **GENERAL LAWS**

### **Competition Act, 2002 (“Competition Act”)**

An act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General he shall be punishable with a fine which may exceed to Rs. 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

### **The Companies Act, 2013**

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs vide its notification dated September 12, 2013 has notified 98 sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. Further 183 sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Ministry of Corporate

Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

### **The Indian Stamp Act, 1899**

The Indian Stamp Act, 1899 prescribes the rates for the stamping of documents and instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. Under the Indian Stamp Act, 1899, an instrument not 'duly stamped' cannot be accepted as evidence by civil court, an arbitrator or any other authority authorized to receive evidence. However, the document can be accepted as evidence in criminal court.

### **The Negotiable Instruments Act, 1881 (“NI Act”)**

In India, the laws governing monetary instruments such as cheques are contained in the “NI Act”, which is largely a codification of the English Law on the subject. To ensure prompt remedy against defaulters and to ensure credibility of the holders of the negotiable instrument a criminal remedy of penalty was inserted in Negotiable Instruments Act, 1881 in form of the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment), 1988 which were further modified by the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, and with fine which may extend to twice the amount of the cheque, or with both.

### **The Indian Contract Act, 1872**

The Indian Contract Act occupies the most important place in the Commercial Law. Without contract Act, it would have been difficult to carry on trade or any other business activity and in employment law. It is not only the business community which is concerned with the Contract Act, but it affects everybody. The objective of the Contract Act is to ensure that the rights and obligations arising out of a contract are honored and that legal remedies are made available to those who are affected.

### **The Registration Act, 1908**

Registration Act was introduced to provide a method of public registration of documents so as to give information to people regarding legal rights and obligations arising or affecting a particular property, and to perpetuate documents which may afterwards be of legal importance, and also to prevent fraud. Registration lends inviolability and importance to certain classes of documents.

### **Customs Act, 1962 (“Customs Act”)**

The Customs Act, as amended, regulates import of goods into and export of goods from India by providing for 198 levy and collection of customs duties on goods in accordance with the Customs Tariff Act, 1975. Any Company requiring to import or export goods is required to obtain an Importer Exporter Code under Foreign Trade (Development and Regulation) Act, 1992. Customs duties are administrated by Central Board of Indirect Tax and Customs under the Ministry of Finance.

## **TAX RELATED LEGISLATIONS**

### **Income Tax Act, 1961**

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. The IT Act provides for taxation of person resident in India on global income and person not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under IT Act is required to comply with the provisions thereof, including

those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its Return by September 30 of each assessment year

### **Goods & Service Tax (“GST”)**

*Gujarat Goods and Services Tax Act, 2017*

*Central Goods and Services Tax Act, 2017*

*The Integrated Goods and Services Tax Act, 2017*

Goods and Services Tax (GST) is an indirect tax applicable throughout India which replaced multiple cascading taxes levied by the central and state governments. The GST shall be levied as Dual GST separately but concurrently by the Union (central tax - CGST) and the States (including Union Territories with legislatures) (State tax - SGST) / Union territories without legislatures (Union territory tax- UTGST). The Parliament would have exclusive power to levy GST. (integrated tax - IGST) on inter-State trade or commerce (including imports) in goods or services. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017, following the passage of Constitution 122<sup>nd</sup> Amendment Bill. The GST is governed by a GST Council and its Chairman is the Finance Minister of India. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. Besides, some goods and services would be under the list of exempt items.

### ***Other Indian laws***

In addition to the above, our Company are also governed by the provisions of the Companies Act and rules framed there under, applicable SEBI regulations and rules framed there under, relevant central and state tax laws, foreign exchange and investment laws and foreign trade laws and other applicable laws and regulation imposed by the central and state government and other authorities for over day to day business, operations and administration.



## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated as ‘Dipna Pharmachem Private Limited’ as Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated July 19, 2011 bearing Corporate Identification Number U24100GJ2011PTC066400 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The name of the Company was changed to “Dipna Pharmachem Private Limited” and a fresh certificate of Incorporation was issued on March 29, 2012 bearing Corporate Identification Number Co. No. U24100GJ2011PTC066400 by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into a public limited Company pursuant to a special resolution passed by our shareholders at the EGM held on May 13, 2022 and consequently the name of our Company was changed to “Dipna Pharmachem Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Ahmedabad dated May 25, 2022. The CIN of the Company is U24100GJ2011PLC066400.

### Business and Management

For a description of our activities, services, technology, the growth of our Company and regional geographical segment in which our Company, please refer to chapters titled “Business Overview”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 66, 60, and 108 of this Draft Prospectus, respectively. For details of the management and managerial competence of our Company, please refer chapter titled “Our Management” on page 81 of this Draft Prospectus.

### Changes in Registered Office

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

### Main Objects as set out in the Memorandum of Association of the Company

The Main object clause of the Company as per Memorandum of Association is as under:

1. To carry on the business of manufacturing, buying, trading, storing, packing, selling, distributing, importing, exporting and otherwise dealing in all kinds of varieties of pharmaceuticals chemicals, basic drugs, drug Intermediates in all or any forms, Pharmaceuticals chemicals, medicinal, biological and electrolytic drugs, ingredients, medicines and compositions, patents medicines drugs enzymes, fermentations and genetic products; vitamins and vitamin products tonics, hormones and hormone products; medical products and raw materials for, and all derivatives, extracts, mixtures, powders, granules, compounds, syrups, by-products, bulk packings, capsules, tablets, injectibles, vials, ointments, sprays, other dosage forms and packagings of, the aforesaid items.

### Amendments to the Memorandum of Association

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

Sr. No.	Date of Passing of Resolution	Type of Meeting	Particulars
1.	March 29, 2012	EGM	The name of the Company is changed to “ <b>Dipna Pharmachem Private Limited</b> ” and this Certificate is issued pursuant to Section 23(1) of the Companies Act, 2013.
2.	January 05, 2016	EGM	Clause V of the MoA was amended to reflect the increase in authorized share capital of Rs. 1,00,000/- divided into 10,000 Equity Shares of Rs.10/- each was increased to Rs. 3,50,000/- divided into 35,000 Equity shares of Rs.10/- each
3.	February 22, 2022	EGM	Clause V of the MoA was amended to reflect the increase in authorized share capital of Rs. 3,50,000/- divided into 35,000 Equity Shares of Rs.10/- each was increased to Rs.5,00,00,000 /- divided into 50,00,000

			Equity shares of Rs.10/- each
4.	January 19, 2022	EGM	Clause V of the MoA was amended to reflect the increase in authorized share capital of Rs. 5,00,00,000/- divided into 50,00,000 Equity Shares of Rs.10/- each was increased to Rs. 12,00,00,000/- divided into 1,20,00,000 Equity shares of Rs.10/- each
5.	May 13, 2022	EGM	The Company has altered the Object Clause(s) of the Memorandum of Association of the Company under Section 13(1) of the Companies Act, 2013. (Adopted new set of Memorandum of Association as per Companies Act, 2013.)
6.	May 13, 2022	EGM	The Company was converted from Private Limited to Limited and the name of the Company was changed to “Dipna Pharmachem Limited”

## **MAJOR EVENTS, KEY AWARDS, ACCREDITATIONS OR RECOGNITION OF OUR COMPANY**

There have been no awards, major event other than ordinary course of business of our Company since incorporation.

### **Acquisition or divestments of business/undertakings, mergers and amalgamations**

Our Company has neither acquired any entity, business or undertakings nor has undertaken any mergers or amalgamation during the last ten (10) years.

### **Strategic Partners**

Our Company is not having any strategic partner as on the date of filing this Draft Prospectus.

### **Financial Partners**

Our Company is not having any financial partner as on the date of filing this Draft Prospectus.

### **Time and Cost Overruns**

As on the date of this Draft Prospectus, there have been no time and cost overruns pertaining to our business operations.

### **Launch of key products or services, Capacity and Capacity Utilisation, entry in new geographies or exit from existing markets**

For details pertaining to our services, capacity and capacity utilisation, entry in new geographies or exit from existing markets, please refer chapter titled “Business Overview” on page 66 of this Draft Prospectus.

### **Injunctions or Restraining Orders**

As on the date of this Draft Prospectus, there are no injunctions or restraining orders against our Company.

### **Changes in the activities of our Company in the last Five years**

There is no change in activity of our Company since incorporation.

### **Defaults or rescheduling of borrowings of our Company with Financial Institutions/Banks**

There have been no defaults or rescheduling of borrowings with any financial institutions/banks or conversion of loans into equity in relation to our Company as on the date of this Draft Prospectus.

### **Revaluation of assets**

Our Company has not revalued its assets since incorporation and has not issued any Equity Shares by capitalizing any revaluation reserves.

**Subsidiaries and Holding Company:**

Our Company neither has a Holding company nor has any Subsidiaries Company as on the date of this Draft Prospectus.

**Joint Ventures**

Our Company has not entered into any joint-ventures as on the date of this Draft Prospectus.

**Shareholders' Agreements**

Our Company has not entered into any shareholders agreement as on the date of this Draft Prospectus.

**Other Agreements**

Our Company has not entered into any agreements other than those entered into in the ordinary course of business with Key Managerial Personnel or Directors or Promoters or any other employee of the issuer, either by themselves or on behalf of any other person and there are no material agreements before the date of this Draft Prospectus.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

The Following table sets forth details regarding the Board of Directors as of the date of this Draft Prospectus:

Name, Father's Name, Address, Date of Birth, Age, Designation, Status, DIN, Occupation and Nationality	Other Directorships
<b>Name:</b> Keyur Shah <b>Father's Name:</b> Dipakkumar Shah <b>Address:</b> 29, Devpriya Bunglows -2, Opp. Vishal Residency Tower, Anandnagar Char Rasta, Satellite, Ahmedabad – 380 015, Gujarat, India <b>Date of Birth :</b> February 08, 1979 <b>Age :</b> 43 Years <b>Designation :</b> Managing Director <b>Status :</b> Executive & Non-Independent Director <b>DIN :</b> 03167258 <b>Occupation :</b> Business <b>Nationality :</b> Indian <b>Term :</b> May 01, 2022 to April 30, 2027 <b>Original Date of Appointment:</b> July 19, 2011 as first director of company	1) Bleach Chem Exim (India) Private Limited 2) Auric Impex Private Limited 3) Dhara Pharmachem Private Limited 4) Dipan Pharmachem Private Limited
<b>Name:</b> Dipna Shah <b>Father's Name:</b> Chaitanyabhai Nanavati <b>Address:</b> 29, Devpriya Bunglows -2, Opp. Vishal Residency Tower, Anandnagar Char Rasta, Satellite, Ahmedabad – 380 015, Gujarat, India <b>Date of Birth :</b> November 11, 1978 <b>Age :</b> 43 Years <b>Designation :</b> Director <b>Status :</b> Non- Executive & Non-Independent Director <b>DIN :</b> 02507462 <b>Occupation :</b> Business <b>Nationality :</b> Indian <b>Term :</b> -Not Applicable <b>Original Date of Appointment:</b> July 19, 2011 as first director of company	1) Dhara Pharmachem Private Limited 2) Dipan Pharmachem Private Limited
<b>Name:</b> Nandish Jani <b>Father's Name:</b> Shaileshbhai Jani <b>Address:</b> 15 Arasuri Society, Near Vyas vadi Nava Vadaj, Naranpura, Ahmedabad – 380 013, Gujarat, India <b>Date of Birth :</b> October 04, 1989 <b>Age :</b> 32 Years <b>Designation :</b> Additional Director <b>Status :</b> Non-Executive & Independent Director <b>DIN :</b> 09565657 <b>Occupation :</b> Service <b>Nationality :</b> Indian <b>Term :</b> upto the ensuing Annual General Meeting <b>Original Date of Appointment:</b> May 01, 2022	-
<b>Name:</b> Chinu Kalal <b>Father's Name:</b> Babulal Kalal <b>Address:</b> SwagatVatika Road, Banjariya, Kherwara, Udaipur – 313 803, Rajasthan, India <b>Date of Birth :</b> February 03, 1994 <b>Age :</b> 28 Years <b>Designation :</b> Additional Director <b>Status :</b> Non-Executive & Independent Director <b>DIN :</b> 09568622	1) SVS Ventures Limited

<b>Occupation</b> : Service <b>Nationality</b> : Indian <b>Term</b> : upto the ensuing Annual General Meeting <b>Original Date of Appointment</b> : May 01, 2022	
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### **Confirmations**

#### **As on date of this Draft Prospectus**

- A. None of the Directors are/ were directors of any company whose shares were suspended from trading by Stock Exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five (5) years.
- B. None of the Directors are on the RBI List of willful defaulters.
- C. None of the Directors are/ were directors of any listed entity whose shares were delisted from any Stock Exchange(s).
- D. Further, none of the directors are/ were directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other Regulatory Authority.
- E. None of the Directors are fugitive economic offender.

#### **Family Relationship between the Directors**

Except as stated below, None of the Directors of our Company are related to each other as per section 2(77) of the Companies Act, 2013.

Mrs. Dipna Shah, Non-Executive Director is the wife of Mr. Keyur Shah, Promoter & Managing Director of the company.

#### **Arrangements with major Shareholders, Customers, Suppliers or Others**

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a Director or member of a senior management as on the date of this Draft Prospectus.

#### **Service Contracts**

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel are entitled to any benefits upon termination of employment.

#### **Borrowing Powers of the Board**

The Articles, subject to the provisions of Section 180(1)(c) of the Act authorizes the Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company. The shareholders have, pursuant to a special resolution passed at the Extra-ordinary General Meeting held on May 13, 2022, in accordance with Section 180(1)(c) of the Act authorized the Board to borrow monies from time to time, such sums of money even though the money so borrowed together with money already borrowed exceeds the aggregate of the paid-up capital and free reserves of the Company provided, however, that the total borrowing (apart from the temporary loans taken from the company's bankers) shall not exceed ₹ 100.00 Crores.

#### **Brief Profiles of Our Directors**

**Mr. Keyur Shah** aged 43 years, is the Promoter & Managing Director of our Company. He holds the Bachelor degree of Commerce from Gujarat University. He has an overall business experience of more than two decades in trading of pharmaceutical raw material. He has significant industry experience and has been instrumental in the consistent growth of our Company's performance. He plays a vital role in successful implementation of various

policies and procedure in the company. He presently looks after marketing, sales, finance, overall management and operation of the company.

**Mrs. Dipna Shah** aged 43 years, is the Non-Executive Director of our Company. She holds degree of Bachelor of Commerce from Saurashtra University. She has expertise of more than 10 years in the trading segment of pharma and chemical business. She has in-depth knowledge in the field of Accounts and finance. She has ability to quickly analyze key business drivers and develop strategies to grow the bottomline.

**Mr. Nandish Jani** aged 32 Years, is the Independent Director of our company. He has completed his Bachelor of Commerce from Gujarat University. He has overall 03 years of experience in the field of accounts and taxation matters. He is presently providing consultancy services to the Corporates & individual clients, guiding & advising them in Account & Taxation matter.

**Ms. Chinu Kalal** aged 28 years, is the Independent Director of our company. She had completed her Bachelor of Science (B. Sc.) in Nursing from Rajasthan University of Health Science, Jaipur. Also, she has done Master of Science (M. Sc.) in Nursing from SAI Tirupati University, Udaipur. She had been associated with various hospital and providing her professional services. She have overall 05 years of experience in Health Care Sector. Currently she is working as a staff nurse in SVP Hospital, Ahmedabad.

### Compensation of Managing Directors

#### Terms and conditions of employment of our Chairman and Managing Director:

**Mr. Keyur Shah** has been appointed as Managing Director of our Company in the Extra-Ordinary General Meeting of the company held on May13, 2022 for a period of Five (5) years commencing from May 01, 2022.

#### The remuneration payable is as follows:

<b>Name</b>	Keyur Shah
<b>Date of Agreement*</b>	May 24, 2022
<b>Period</b>	Five (5) years commencing from May 01, 2022
<b>Salary</b>	Upto ₹ 2,00,000/- per month
<b>Remuneration paid in FY 2021-22</b>	NIL

\*All other terms and conditions as mentioned in the Agreement may be inspected at the Registered Office between 10:00 a.m. and 05:00 p.m. (IST) on all Working Days from the date of this Draft Prospectus until the Issue Closing Date.

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

We have not paid any sitting fees to our Independent Directors till the date of this Draft Prospectus.

#### Shareholding of Directors in our Company

The details of the shareholding of our director's as on the date of this Draft Prospectus are as follows:

Sr. No.	Name of the Directors	No. of Equity Shares	Percentage of Pre-Issue Capital (%)
1.	Keyur Shah	48,84,000	61.30
2.	Dipna Shah	30,83,500	38.70
3.	Nandish Jani	0.00	Nil
4.	Chinu Kalal	0.00	Nil
<b>Total</b>		<b>79,67,500</b>	<b>100.00</b>

#### Interests of our Directors

Our all Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee thereof and as well as to the extent of reimbursement of expenses payable to them under the Articles.

Our Executive Directors are interested to the extent of remuneration payable to them pursuant to the Articles of Company and resolution approved by the Board of Directors/Members of the Company as the case may be, time to time for the services rendered as an Officer or employee of the Company.

The Directors are also members of the Company and are deemed to be interested in the Equity Shares, if any, held by them and/or any Equity Shares that may be held by their relatives, the companies, firms and trusts, in which they are interested as directors, members, partners, trustees, beneficiaries and promoters and in any dividend distribution which may be made by our Company in the future. For the shareholding of the Directors, please refer “*Our Management - Shareholding of Directors in our Company*” beginning on page 81 of this Draft Prospectus.

Other than our promoter directors, none of the other Directors have any interest in the promotion of our Company other than in the ordinary course of business

Except as stated in the chapter “*Business Overview*” on page 66 of this Draft Prospectus and in the chapter “*Restated Financial Statement*” on page 94 of this Draft Prospectus none of our Directors have any interest in the property proposed to be acquired by our Company

Except as disclosed in the section titled in “*Restated Financial Statements*” on page 94, our Directors do not have any other interest in our Company or in any transaction by our Company including, for acquisition of land, construction of buildings or supply of machinery.

For details with respect to loan to directors, please refer to chapter titled “*Restated Financial Statement*” on page 94 of this Draft Prospectus.

**Payment of benefits (non-salary related)**

Except as disclosed above, no amount or benefit has been paid or given within the two (2) years preceding the date of filing of this Draft Prospectus or is intended to be paid or given to any of our Directors except the remuneration for services rendered.

**Bonus or profit-sharing plan for the Directors**

None of the Directors are party to any bonus or profit-sharing plan of our Company.

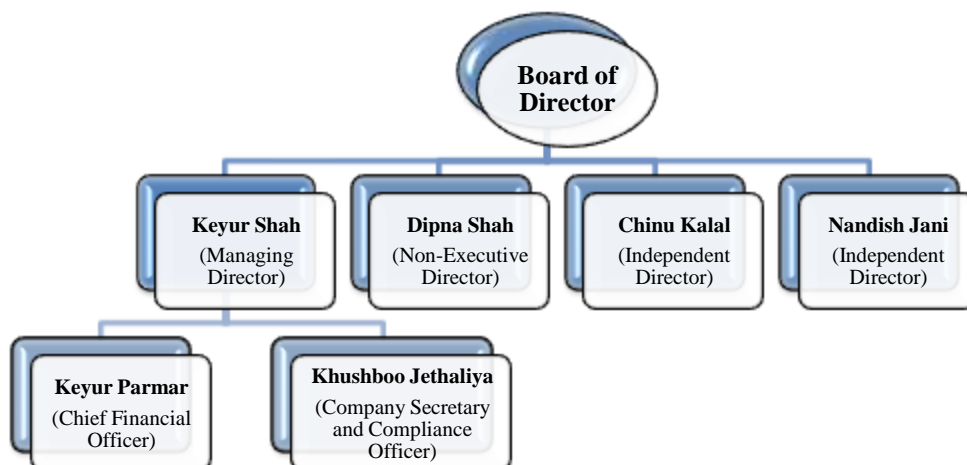
**Changes in our Company’s Board of Directors during the last three (3) years**

Following are the changes in the Board of Directors during the last three (3) years

Name of Directors	Date of Appointment	Date of Change in Designation / Cessation	Reasons for changes in the Board
Nandish Jani	May 01, 2022	-	Appointment as Additional Director in capacity of Independent Director
ChinuKalal	May 01, 2022	-	Appointment as Additional Director in capacity of Independent Director
Keyur Shah	-	May 01, 2022	Appointment as Managing Director

**Management Organization Structure**

The following chart depicts our Management Organization Structure



## COMPLIANCE WITH CORPORATE GOVERNANCE

In additions to the applicable provisions of the Companies Act, 2013, with respect to the Corporate Governance, provisions of the SEBI Listing Regulations except Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and Para C, D, and E of Schedule will be applicable to our company immediately upon the listing of Equity Shares on the Stock Exchanges.

### Constitutions of Committees

Our Company has constituted the following committees:

#### 1. Audit Committee

Our Company has formed the Audit Committee vide resolution passed in the meeting of Board of Directors held on May 07, 2022 as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended). The Audit Committee comprises following members.

Name of the Director	Nature of Directorship	Position in Committee
Dipna Shah	Non-Executive and Non Independent Director	Chairman
Nandish Jani	Independent Director	Member
Chinu Kalal	Independent Director	Member

The Company Secretary of our Company shall act as a Secretary of the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to financial statements. The scope and function of the Audit Committee and its terms of reference shall include the following:

#### Terms of reference:

terms of reference of the Audit Committee shall be as under;

1. The recommendation for the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, their remuneration and fixation of terms of appointment of the Auditors of the Company;
2. Review and monitor the auditors' independence and performance, and effectiveness of audit process;
3. Examination of financial statement and auditors' report thereon including interim financial result before submission to the Board of Directors for approval, particularly with respect to;
  - a. Changes, if any, in accounting policies and practices and reasons for the same,
  - b. Major accounting entries involving estimates based on the exercise of judgment by management,



- c. Significant adjustments made in the financial statements arising out of audit findings,
  - d. Compliance with listing and other legal requirements relating to financial statements,
  - e. Disclosure of any related party transactions,
  - f. Modified opinion(s) / Qualifications in the draft audit report.
4. Approval or any subsequent modification of transactions of the Company with related party, subject following conditions;
    - The Audit Committee may make omnibus approval for related party transactions proposed to be entered in to by the Company subject to such conditions provided under the Companies Act, 2013 or any subsequent modification(s) or amendment(s) thereof;
    - In case of transaction, other than transactions referred to in section 188 of Companies Act 2013 or any subsequent modification(s) or amendment(s) thereof, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board;
    - In case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee;
  5. Reviewing, with the management, and monitoring the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus, and making appropriate recommendations to the Board to take up steps in this matter;
  6. Scrutiny of Inter-corporate loans and investments;
  7. Reviewing and discussing 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;
  8. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
  9. Valuation of undertakings or assets of the company, where ever it is necessary;
  10. Evaluation of internal financial controls and risk management systems and reviewing, with the management, performance of internal auditors, and adequacy of the internal control systems; and
  11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  12. To monitor the end use of fund invested or given by the Company to Subsidiary Companies;
  13. Carrying out any other function as assigned by the Board of Directors from time to time.

#### **Review of information by Audit Committee**

The audit committee shall mandatorily review the following information:

1. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
2. Management letters / letters of internal control weaknesses issued by the statutory auditors;
3. Internal audit reports relating to internal control weaknesses; and
4. The appointment, removal and terms of remuneration of the Internal Auditor.
5. Quarterly / half yearly statement of deviation(s), if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
6. Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus.

#### **Powers of the Audit Committee:**

The audit committee shall have the powers, which should include the following:

- i. To investigate any activity within its terms of reference;
- ii. To seek information from any employees;
- iii. To obtain outside legal or other professional advice; and
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.
- v. Call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.

- vi. To investigate into any matter in relation to the items specified in sub-section (4) of Section 177 of the Companies Act, 2013 or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

## 2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Section 178 of the Companies Act, 2013 and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) vide board resolution dated May 7, 2022. The constituted Stakeholders Relationship Committee comprises the following members:

Name of the Director	Nature of Directorship	Position in Committee
Dipna Shah	Non-Executive and Non Independent Director	Chairman
Nandish Jani	Independent Director	Member
Chinu Kalal	Independent Director	Member

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

The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

### Terms of Reference

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares;
- Redressal of shareholder and investor complaints like transfer of Shares, non-receipt of balance sheet, non-receipt of declared dividends etc.;
- Issue duplicate/split/consolidated share certificates;
- Dematerialization/Rematerialization of Share;
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances and to otherwise ensure proper and timely attendance and redressal of investor queries and grievances; Provided that inability to resolve or consider any grievance by the Stakeholders Relationship Committee in good faith shall not constitute a contravention of Section 178 of Companies Act, 2013 or any subsequent modification(s) or amendment(s) thereof.
- Such other matters as may be required by any statutory, contractual or other regulatory requirements to be attended to by such committee from time to time.

## 3. Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per Section 178 of the Companies Act, 2013 and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) vide board resolution dated May 7, 2022. The Nomination and Remuneration Committee comprises the following members:

Name of the Director	Nature of Directorship	Position in Committee
Dipna Shah	Non-Executive and Non Independent Director	Chairman
Nandish Jani	Independent Director	Member
Chinu Kalal	Independent Director	Member

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

### The terms of reference:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance.
5. To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

### **Our Key Managerial Personnel**

Our Company is managed by our Board of Directors, assisted by qualified experienced professionals, who are permanent employees of our Company. Following are the Key Managerial Personnel of our Company

### **Profiles of our Key Managerial Personnel**

For the profile of Mr. Keyur Shah as a Managing Director, please refer chapter titled “*Our Management - Brief Biographies of our Directors*” on page 81 of this Draft Prospectus.

The Key Managerial Personnel of our Company other than our Directors are as follows:

<b>Name, Designation and Date of Joining</b>	<b>Qualification</b>	<b>Previous Employment</b>	<b>Overall Experience</b>	<b>Remuneration paid In previous year (2021-22) (₹ in Lakhs)</b>
Khushboo Jethaliya Company Secretary and Compliance Officer D.O.J-May 01, 2022	C.S., LLB and B.com	-	-	-
Keyur Parmar Chief Financial Officer D.O.J-May 01, 2022	B.com	-	2 years	-

### **Relationship amongst the Key Managerial Personnel of our Company**

Except as sated below none of our directors and Key Managerial Personnel of our Company are related to each other.

Mr. Keyur Shah, Managing Director is the husband of Mrs. Dipna Keyur Shah, Non-Executive Director of the company.

### **Arrangement and Understanding with Major Shareholders/Customers/ Suppliers**

None of the above Key Managerial Personnel have entered into to any arrangement/ understanding with major shareholders/customers/suppliers as on the date of this Draft Prospectus

### **Bonus or profit-sharing plan of the Key Managerial Personnel**

Our Company does not have a profit sharing plans for the Key Management Personnel.

### **Shareholding of Key Management Personnel in our Company**

None of our Key Managerial Personnel except Mr. Keyur Shah holds Equity Shares in our Company as on the date of filing of this Draft Prospectus. For further details, please refer to section titled “*Capital Structure*” beginning on page 40 of this Draft Prospectus

**Changes in Our Company’s Key Managerial Personnel during the last three (3) years**

<b>Name of KMP</b>	<b>Designation</b>	<b>Date of Event</b>	<b>Reason</b>
Keyur Parmar	Chief Financial Officer	May 01, 2022	Appointed as Chief Financial Officer
Khushboo Jethaliya	Company Secretary and Compliance Officer	May 01, 2022	Appointed as Company Secretary and Compliance Officer

*For details with respect to the Changes in directors who are KMP, please refer to section titled “Changes in our Company’s Board of Directors during the last three (3) years” on page 81 of this Draft Prospectus.*

**Interest of Key Managerial Personnel**

Except as disclosed in this Draft Prospectus, the Key Managerial Personnel of our Company do not have any interest in our Company other than to the extent of their shareholding, remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

**Employee Stock Option or Employee Stock Purchase**

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


**Payment of Benefits to of Our KMPs (*non-salary related*)**

Except as disclosed in this Draft Prospectus other than any statutory payments made by our Company to its KMPs, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees.

For further details, please refer section titled ‘*Restated Financial Statements*’ beginning on page 94 of this Draft Prospectus.

## OUR PROMOTER AND PROMOTER GROUP

### The Promoter of Our Company is : Mr. Keyur Shah

	<p><b>Keyur Shah, aged 43 years is the Promoter, Managing Director of our Company.</b> <b>Date of Birth:</b> February 08, 1979 <b>Personal Address:</b> 29, Devpriya Bunglows -2, Opp. Vishal Residency Tower, Anandnagar Char Rasta, Satellite, Ahmedabad – 380 015, Gujarat, India <b>Permanent Account Number:</b>ALFPS9260G</p> <p>For further details of his educational qualifications, experience, positions / posts held in the past, directorships held and special achievements, please refer chapter titled “<i>Our Management</i>” beginning on page no.81 of this Draft Prospectus.</p>
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### Confirmations

We confirm that the details of the permanent account numbers, bank account numbers, Aadhar Card number, Driving License number and passport numbers of our individual Promoters will be submitted to the Stock Exchange at the time of filing the Draft Prospectus with the Stock Exchange.

### Other Confirmations

As on the date of this Prospectus, our Promoter and members of our Promoter Group have not been prohibited by SEBI or any other regulatory or governmental authority from accessing capital markets for any reasons. Further, our Promoter is not promoter and director in any other company that is or has been debarred from accessing the capital markets under any order or direction made by SEBI or any other authority.

Our Promoter has neither been declared as a wilful defaulter nor as a fugitive economic offender as defined under the SEBI (ICDR) Regulations and there are no violations of securities laws committed by our Promoter in the past and no proceedings for violation of securities laws are pending against our Promoter.

For details pertaining to other ventures of our Promoter refer chapter titled “Financial Information of our Group Companies” beginning on page no. 92 of the Draft Prospectus.

### Change in the management and control of the Issuer

There has not been any change in the management and control of our Company.

### Interest of Promoter

Our Promoter is interested in our Company only to the extent of his respective Equity shareholding in our Company and any dividend distribution that may be made by our Company in the future. For details pertaining to our Promoter's shareholding, please refer to section titled ‘*Capital Structure*’ beginning on page no. 40 of this Draft Prospectus. Our Promoter may also be interested to the extent of providing personal guarantees for some of the loans taken by our Company. For further details, please refer chapters titled “Restated Financial Statements” on page 94, of this Draft Prospectus.

Our Promoter and members of Promoter Group do not have any interest in any property acquired by or proposed to be acquired by our Company during a period of three years prior to filing of the Draft Prospectus. Our Promoter do not have any interest in any transaction in the acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Further, our Promoter is also partners in other entities and may be deemed to be interested to the extent of the payments made by our Company, if any, to these Promoter Group entities and vice versa. No sum has been paid or agreed to be paid to him or to such firm or company in cash or shares or otherwise by any person either to induce him to become, or to qualify him as a Director or for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company. For the payments that are made by our Company to certain Promoter Group entities, please see the section “Related Party Transactions” on page no.106 of the Draft Prospectus

#### **Payment of benefits to our Promoter**

Except as stated in the section “Related Party Transactions” on page no.106 there has been no payment of benefits to our Promoters during the two years preceding the filing of this Draft Prospectus.

#### **Disassociation of Promoter in the Last Three Year:**

Our Promoter has not been disassociated himself from any company in the preceding three years.

#### **Our Promoter Group**

Promoter and Promoter Group in terms of Regulation 2(1)(oo) and 2(1)(pp) of the SEBI ICDR Regulations. In addition to our Promoters named above, the following individuals and entities form a part of the Promoter Group:

##### **A. Natural persons who are part of our Promoter Group**

###### **Promoters: Keyur Shah**

<b>Relationship with promoter</b>	<b>Name of Relative</b>
<b>Promoter</b>	<b>Keyur Shah</b>
Father	Lt. Dipakkumar Manubhai Shah
Mother	Lt. Surekhaben Manubhai Shah
Spouse	Dipna Keyur Shah
Brother	-
Sister	Dhara Nrupeshbhai Shah
Son	-
Daughter	Shveni Keyur Shah & Shashvi Keyur Shah
Spouse's Father	Chaitanya Chinubhai Nanavati
Spouse's Mother	Lt. Pritiben Chaitanyabhai Nanavati
Spouse's Brother	Hardik Chaitanyabhai Nanavati
Spouse's Sister	Meghana Shah

#### **Companies, Proprietary concerns, HUF's related to our promoters**

<b>Nature of Relationship</b>	<b>Entity</b>
Anybody corporate in which twenty per cent. or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the promoter or any one or more of their relative is a member	1) Auric Impex Private Limited 2) DharaPharmachem Private Limited 3) Dipan Pharmachem Private Limited
Anybody corporate in which a body corporate as provided in above holds twenty per cent. or more, of the equity share capital; and	-
Any Hindu Undivided Family or firm in which the aggregate share of the promoter and their relatives is equal to or more than twenty per cent. of the total capital;	1) Bleach Energy LLP 2) Rise Pharma Chem LLP 3) Dhara chemicals

For further details on our Promoter Group refer Chapter Titled “Financial Information of our Group Companies” beginning on page no. 92 of Draft Prospectus.

## **FINANCIAL INFORMATION OF OUR GROUP COMPANIES**

As per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, for the purpose of identification of Group Companies, our Company has considered those companies as our Group Companies which is covered under the applicable Accounting Standard (AS-18) as per the Restated Financial Statements of our Company. Further in addition to it, pursuant to a resolution of our Board dated May 16, 2022 for the purpose of disclosure in relation to Group Companies in connection with the Issue, a company shall be considered material and disclosed as a Group Company if any such company is an Associate Company of our Company or our Company is an Associate Company of such Company.

There is no company which is considered material by the Board of Directors of our Company to be identified as Group Company.

## DIVIDEND POLICY

As on the date of this Draft Prospectus, our Company does not have a formal dividend policy. The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act (together with applicable rules issued there under).

Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our contractual obligations, applicable legal restrictions, results of operations, financial condition, revenues, profits, over financial condition, capital requirements and business prospects.

In addition, our ability to pay dividends may be impacted by a number of other factors, including restrictive covenants under our current or future loan or financing documents. For more information on restrictive covenants under our current loan agreements, see “*Financial Indebtedness*” on page 113 of this Draft Prospectus. Our Company may pay dividend by cheque, or electronic clearance service, as will be approved by our Board in the future. Our Board may also declare interim dividend from time to time.

The Company has not declared and paid any dividends on the Equity Shares in any of the three Financial Years preceding the filing of this Draft Prospectus.



## SECTION VI – FINANCIAL INFORMATION

### AUDITORS' REPORT ON STANDALONE RESTATED FINANCIAL INFORMATION

To

**The Board of Directors**

**Dipna Pharmachem Limited**

A/211, Siddhi Vinayak Complex,  
Near D.A.V. School,  
Makarba,  
Ahmedabad – 380055

Dear Sirs,

**Subject: Financial Information Dipna Pharmachem Limited**

We have examined, the attached Restated standalone Statement of Assets and Liabilities of Dipna Pharmachem Limited ('the Company') as at March 31, 2022, March 31, 2021 and March 31, 2020, the Restated Standalone Summary Statement of Profit and Loss and the Restated Standalone Summary Statement of Cash Flows for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 and annexed to this report (collectively, the "Restated Financial Information") as approved by the Board of Directors of the Company for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer (IPO) of equity shares prepared in terms of the requirements of:

- a. Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules");
  - b. the Securities And Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("SEBI-ICDR Regulations"); and
  - c. the Guidance Note on Reports in Company Prospectus (Revised 2016) issued by the Institute of Chartered Accountants of India as amended from time to time (the "Guidance Note").
1. The Restated Standalone summary statements of the Company have been extracted by the Management from the Audited Standalone financial statements of the Company for the years ended March 31, 2022, March 31, 2021 and March 31, 2020. Our responsibility is to examine the Restated Standalone Financial Information and confirm whether such Restated Standalone Financial Information comply with the requirements of the Act, the Rules, SEBI-ICDR Regulations and the Guidance Note.
  2. We have examined these Restated Standalone Financial Information taking into consideration
    - a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated May 13, 2022 in connection with the proposed IPO of the Company;
    - b. The Guidance Note on reports in Company prospectus (Revised) issued by the Institute of Chartered Accountants of India
  3. These Restated Standalone Financial Information have been compiled by the Management from the Standalone audited Financial Statements of the Company for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 which have been approved by the Board of Directors of the Company. We, Bhagat & Co Chartered Accountants, have been subject to peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid peer review certificate issued by the "Peer review Board" of the ICAI. The Audit for Financial year March 31, 2020 and March 31, 2021 were conducted by M/s S. R. Sanghvi & Co and Audit for Financial Year March 31, 2022 was conducted by M/s B.S Jain & Co. The Audit for the Financial Year March 31, 2022 was re audited by us. The reliance has been placed on the financial information examined by them for the said years. The financial report included for March 31, 2020, March 31, 2021 and March 31, 2022 is based solely on the report submitted by them.
  4. Based on our examination, we report that:

- a. The Restated Standalone Summary Statement of Assets and Liabilities of the Company examined and reported as at March 31, 2022, March 31, 2021 and March 31, 2020 examined by us, as set out in Annexure 1 read with significant accounting policies and related notes to account in Annexure 4 to 32 are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in schedules to the related summary statements.
  - b. The Restated Standalone Summary Statement of Profit and Loss of the Company for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 examined by us, as set out in Annexure 2 read with significant accounting policies and related notes to account in Annexure 4 to 32 are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in schedules to the related summary statements.
  - c. The Restated Standalone Summary Statement of Cash Flows of the Company for the years ended, March 31, 2022, March 31, 2021 and March 31, 2020 examined by us, as set out in Annexure 3 read with significant accounting policies and related notes to account in Annexure 4 to 28 are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in schedules to the related summary statements.
  - d. Based on the above, according to the information and explanations given to us we are of opinion that the Restated Standalone Financial Information:
    - i. have been made after incorporating adjustments for changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
    - ii. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
    - iii. Do not contain any extra-ordinary items that need to be disclosed separately.
    - iv. There were no qualifications in the Audit report issued by the Statutory Auditor of the Company for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 which would require adjustments in this restated financial statements of the Company.
5. We have also examined the following financial information as set out in the Annexure prepared by the management and approved by the Board of Directors relating to for the years ended March 31, 2022, March 31, 2021 and March 31, 2020.
- i. Standalone Statement of significant accounting policies and notes to accounts as appearing in **Annexure 4**
  - ii. Standalone Statement of capital as appearing in **Annexure 5**
  - iii. Standalone Statement of Reserve and Surplus as appearing in **Annexure 6**
  - iv. Standalone Statement of Long term Borrowing as appearing in **Annexure 7**
  - v. Standalone Statement of Short term Borrowings as appearing in **Annexure 8**
  - vi. Standalone Statement of Trade payables as appearing in **Annexure 9**
  - vii. Standalone Statement of Other Current liabilities as appearing in **Annexure 10**
  - viii. Standalone Statement of Short term Provisions as appearing in **Annexure 11**
  - ix. Standalone Statement of Fixed Asset Schedule as appearing in **Annexure 12**
  - x. Standalone Statement of Inventories as appearing in **Annexure 13**
  - xi. Standalone Statement of Trade receivables as appearing in **Annexure 14**
  - xii. Standalone Statement of Cash and Cash equivalents as appearing in **Annexure 15**
  - xiii. Standalone Statement of Short term Loans and Advances as appearing in **Annexure 16**
  - xiv. Standalone Statement of Revenue from Operations as appearing in **Annexure 17**
  - xv. Standalone Statement of Other Income as appearing in **Annexure 18**
  - xvi. Standalone Statement of Cost of Material Consumed as appearing in **Annexure 19**
  - xvii. Standalone Statement of Change in Inventories as appearing in **Annexure 20**
  - xviii. Standalone Statement of Employee Benefit Expenses as appearing in **Annexure 21**
  - xix. Standalone Statement of Financial Costs as appearing in **Annexure 22**
  - xx. Standalone Statement of Other expenses as appearing in **Annexure 23**
  - xxi. Restated Standalone Statement of Accounting & Other Ratios as appearing in **Annexure 24**
  - xxii. Restated Standalone Statement of Capitalization of the company as appearing in **Annexure 25**

- xxiii. Restated Standalone Statement of Tax Shelter as appearing in **Annexure 26**
- xxiv. Restated Standalone Statement of Contingent Liabilities & Capital Commitments as appearing in **Annexure 27**
- xxv. Restated Standalone statement of Related Parties as appearing **Annexure 28**

According to the information and explanations given to us in our opinion the Restated Standalone Financial Information and the above restated Standalone financial information contained in Annexure I to XXIX accompanying this report read along with the Significant Accounting Policies and Notes as set out in Annexure 4 to 28 are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013 read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI-ICDR Regulations and the Guidance Note.

- 6. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
- 7. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 8. Our report is intended solely for use of the Management for inclusion in the offer document to be filed with BSE Limited and Registrar of Companies, Ahmedabad in connection with the proposed IPO of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

**For, Bhagat & Co.,  
Chartered Accountants  
Firm RegNo : 127250W**

sd/-  
**Shankar Prasad Bhagat  
Partner  
Membership No: 052725  
Date: 05.07.2022  
UDIN: 22052725AMHOZO3509  
Place: Ahmedabad**

**Annexure: 1 RESTATED STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES**

(₹ In Lacs)

	Particulars	31st March, 2022	31st March, 2021	31st March, 2020
<b>(1)</b>	<b>Equity &amp; Liabilities</b>			
	(a) Share Capital	3.50	3.50	3.50
	(b) Reserves & surplus	170.36	53.67	51.25
	<b>Sub Total.....(1)</b>	<b>173.86</b>	<b>57.17</b>	<b>54.75</b>
<b>(2)</b>	<b>Share Application Money.....(2)</b>			
<b>(3)</b>	<b>Non Current Liabilities</b>			
	(a) Long term Borrowings	332.60	368.43	336.27
	(b) Long term Liabilities			
	(c) Deferred Tax Liabilities ( Net)			
	( d) Long term Provisions		-	-
	<b>Sub Total.....(3)</b>	<b>332.60</b>	<b>368.43</b>	<b>336.27</b>
<b>(4)</b>	<b>Current Liabilities</b>			
	(a) Short Term Borrowings	686.28	874.21	620.75
	(b) Trade Payables			
	Outstanding due to Micro and Small Enterprises	386.23	517.22	218.17
	Outstanding due to Creditors other than Micro and Small Enterprises	1,916.77	660.65	613.16
	( C) Other Current Liabilities	86.97	0.41	1.08
	( d) Short term provisions	40.25	1.25	-
	<b>Sub Total.....(4)</b>	<b>3,116.50</b>	<b>2,053.74</b>	<b>1,453.16</b>
	<b>TOTAL LIABILITIES.....(1+2+3+4)</b>	<b>3,622.96</b>	<b>2,479.34</b>	<b>1,844.18</b>
	<b>ASSETS</b>			
<b>(4)</b>	<b>Non Current Assets</b>			
	(a) Property Plant and Equipment			
	(i) Tangible Assets	4.12	4.06	4.27
	(ii) Intangible Assets			
	(b) Capital work-in-progress			
	(c) Non Current Investments		-	-
	(d ) Deferred Tax Assets			
	(e ) Long term Loans and Advances		-	-
	(f) Other non Current Assets			
	<b>Sub Total.....( 4)</b>	<b>4.12</b>	<b>4.06</b>	<b>4.27</b>
<b>(5)</b>	<b>Current Assets</b>			
	(a) Current Investments			
	( b) Inventories	630.36	719.50	555.25
	( c) Trade Receivables	2,697.48	1,494.78	1,120.13
	(d) Cash and bank balances	20.86	25.32	17.81
	(e ) Short Term Loans and Advances	270.14	235.68	146.72
	(f) Other Current Assets			
	<b>Sub Total.....( 5)</b>	<b>3,618.84</b>	<b>2,475.28</b>	<b>1,839.91</b>
	<b>TOTAL ASSETS.....(4+5)</b>	<b>3,622.96</b>	<b>2,479.34</b>	<b>1,844.18</b>

**Annexure: 2 RESTATED STANDALONE SUMMARY STATEMENT OF PROFITS AND LOSSES**

(₹ In Lacs)

Particulars	For the year ended		
	31st March, 2022	31st March, 2021	31st March, 2020
Income from continuing operations			
Revenue from operations	7,275.54	3,099.99	3,053.85
Other Income	1.04	1.55	1.00
Total Revenue	7,276.58	3,101.54	3,054.85
Expenses			
Cost Of Material Consumed	6766.67	3122.08	3116.17
Change in Inventories	89.15	-164.25	-221.70
Employee benefits expense	60.96	40.80	38.35
Finance Costs	67.43	35.31	38.92
Other expenses	134.32	61.38	76.24
Depreciation and amortisation expenses	0.62	0.72	0.88
Total Expenses	7,119.15	3,096.04	3,048.86
Restated profit before tax from continuing operations	157.43	5.50	5.99
Exceptional Item			
Tax expense/(income)			
Current tax	40.74	3.08	0.09
Deferred tax charge/(credit)			
Total tax expense		3.08	0.09
Restated profit after tax from continuing operations (A)	116.69	2.42	5.90

**Annexure: 3 RESTATED STANDALONE SUMMARY STATEMENT OF CASH FLOWS**

(₹ In Lacs)

Particulars	31st March, 2022	31st March, 2021	31st March, 2020
Net profit before taxation from continuing operations (as restated)	157.43	5.50	5.99
<b>A. NON CASH ADJUSTMENTS TO RECONCILE PROFIT BEFORE TAX TO NET CASH FLOWS</b>			
Depreciation and amortisation expense	0.62	0.72	0.88
Interest income	-0.86	-0.95	-0.86
Dividend Income	Nil	Nil	Nil
Other Adj. of non cash Item	Nil	Nil	Nil
Interest expense	67.43	35.31	38.92
preliminary exp	Nil	Nil	Nil
<b>Operating profit before working capital changes (as restated)</b>	<b>224.62</b>	<b>40.58</b>	<b>44.93</b>
<b>Movement in Working Capital</b>			
(Increase)/decrease in Inventories	89.14	(164.25)	(221.70)
(Increase)/decrease in trade receivables	(1,202.70)	(374.65)	(235.30)
(Increase)/decrease in loans and advances	(34.46)	(88.96)	24.13
(Increase)/decrease in LT loans and advances	Nil	Nil	Nil
(Increase)/decrease in Other Current Assets	Nil	Nil	Nil
(Increase)/decrease in non current Investments	Nil	Nil	Nil
Increase/(decrease) in trade payables	1,125.13	346.54	78.17
Increase/(decrease) in Other Current Liabilities	86.56	(0.67)	(2.00)

Increase/(decrease) in Short term provisions	Nil	Nil	Nil
Increase/(decrease) in Long Term liability	Nil	Nil	Nil
<b>Cash flow from operations</b>	<b>288.29</b>	<b>(241.41)</b>	<b>(311.77)</b>
Direct taxes paid (including fringe benefit taxes paid) (net of refunds)	(1.74)	(1.83)	(0.09)
Dividend and Dividend Distribution Tax	Nil	Nil	Nil
<b>Net cash generated from operating activities (A)</b>	<b>286.55</b>	<b>(243.24)</b>	<b>(311.86)</b>
<b>B. CASH FLOW USED IN INVESTING ACTIVITIES</b>			
Purchase of fixed assets, including intangible assets, capital work in progress and capital advances	(0.68)	(0.51)	(0.03)
Sale of Assets	Nil	Nil	Nil
(Purchase)/Sale of investments	Nil	Nil	Nil
Interest received	0.86	0.95	0.86
Dividend Income	Nil	Nil	Nil
<b>Net cash used in investing activities (B)</b>	<b>0.18</b>	<b>0.44</b>	<b>0.83</b>
<b>C. CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES</b>			
Proceeds from Long term Borrowings	(35.83)	32.16	50.86
Proceeds from Short term Borrowings	(187.93)	253.46	305.10
Proceeds from issue of Share Capital and Reserve and Surplus	Nil	Nil	Nil
Share Capital & Share Application Money	Nil	Nil	Nil
Dividend and Dividend Distribution Tax	Nil	Nil	Nil
Adjustment in reserve and surplus	Nil	Nil	Nil
Interest paid	(67.43)	(35.31)	(38.92)
<b>Net cash generated from/(used in) financing activities (C)</b>	<b>(291.19)</b>	<b>250.31</b>	<b>317.04</b>
<b>Net increase/(decrease) in cash and cash equivalents ( A + B + C )</b>	<b>(4.46)</b>	<b>7.51</b>	<b>6.01</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>25.32</b>	<b>17.81</b>	<b>11.80</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>20.86</b>	<b>25.32</b>	<b>17.81</b>

#### Annexure: 4 NOTES FORMING PART OF ACCOUNTS

##### SIGNIFICANT ACCOUNT POLICIES:

- I. System of Accounting**  
The financial statements are prepared under historical cost convention accrual on an basils and on the basis of going concern.
- II. inventories**  
inventories are valued at cost or net realizable value. whichever is less.
- III. Investment**  
investments are valued at cost of acquisition.
- IV. Miscellaneous Expenditure Written Off**  
Preliminary expenses are written off over a period of five years.
- V. Accounting Policies not specifically referred to are consistent with generally accepted accounting practices.**

##### NOTES ON ACCOUNTS

1. Figure of previous year have been regrouped or rearranged wherever necessary.
2. The balances of Debtors, Creditors, Loans & Advances and investments are subject to the confirmation.
3. In the opinion of the Board of Directors the current assets, loans & advances are approximately at the same value if realized in the ordinary course of business, the provisions of all known liabilities are adequate except stated otherwise.
4. Provision of income Tax is made as per the Income Tax Act 1961.
5. The inventories and cash balances are subject to physical verification.

**Annexure: 5**

(₹ In Lacs)

<b>PARTICULARS</b>	<b>31st March,2022</b>	<b>31st March,2021</b>	<b>31st March,2020</b>
<b>SHARE CAPITAL</b>			
<b>AUTHORISED</b>	500.00	3.50	3.50
Equity Shares Of Rs 10 Each			
<b>Issued Subscribed &amp; Fully Paid Up</b>	3.50	3.50	3.50
Equity Shares Of Rs.10/- Each			
<b>Reconciliation Of The Number Of Shares At The Beginning &amp; End Of The Reporting Period :</b>			
<b>Authorised Shares</b>	<b>Equity shares</b>	<b>Equity shares</b>	<b>Equity shares</b>
Previous Year	50,00,000	35,000	35,000
Increased By/ Decreased By			
Total	<b>50, 00,000</b>	<b>35,000</b>	<b>35,000.</b>
<b>Issued, Subscribed And Fully Paid</b>			
Number Of Shares At The Beginning	35,000.00	35,000.00	35,000.00
Add /Less : Equity Shares Issued During The Year			
Number Of Shares At The End	35,000.00	35,000.00	35,000.00
Shares Held By Each Shareholder Holding More Than 5% Shares, Specifying The Number Of Shares Held :			
<b>Name of Shareholder</b>	No of shares and %	No of shares and %	No of shares and%
Keyur Dipak Shah	17500(50%)	17500(50%)	17500(50%)
Dipna Keyur shah	17500(50%)	17500(50%)	17500(50%)
Notes :			
The Company has only one class of Share capital i.e Equity Shares having Face value of Rs10/- per share. Each Holder of Equity Shares is entitled to one vote per Share. The Company declares and Pays dividend in INR only.			
In the event of Liquidation of the Company, the holder of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders			
The shareholder have all rights as available to the Equity Shareholders as per the Provision of the Companies Act 2013 and 1956 read together with the MOA and AOA of the Company, as applicable.			

**RESTATED NOTES FORMING PART OF BALANCE SHEET**

**Annexure: 6**

(₹ In Lacs)

<b>RESERVE &amp; SURPLUS</b>	<b>31st March,2022</b>	<b>31st March,2021</b>	<b>31st March,2020</b>
<b>Share Premium Account</b>			
Opening Balance	22.50	22.50	22.50
Add : during the year			
Less : Bonus Issued during the year			
Less: Expenses of IPO			
Closing Balance	22.50	22.50	22.50
<b>Subsidy of SME issue</b>			

<b>Received during the year</b>			
Closing balance			
<b>Profit and Loss account</b>			
Opening Balance	31.17	28.75	22.85
Adj. in Assets Value on account of change in accounting policy		-	-
Adj. in DTA on account of change in accounting policy		-	-
Add: Prior Period Income ( Fire Exp. Booked Twice )			
Add : Profit During the year	116.69	2.42	5.90
Less : previous year MAT/other Adj.	-		0
Less : Other appropriation			
Closing Balance	<b>147.86</b>	<b>31.17</b>	<b>28.75</b>
<b>TOTAL</b>	<b>170.36</b>	<b>53.67</b>	<b>51.25</b>

**Annexure: 7**

(₹ In Lacs)

<b>LONG TERM BORROWING</b>	<b>31st March,2022</b>	<b>31st March,2021</b>	<b>31st March,2020</b>
Banks	21.85	29.71	8.06
Non Banking Finance Companies	43.67	36.1	11.62
Non Banking Finance Company	181.22		
Growth Source Financial Technology Private Limited (against personal Property of Director)		0.59	
Directors and Relatives	85.86	302.03	316.59
<b>TOTAL</b>	<b>332.60</b>	<b>368.43</b>	<b>336.27</b>

**Annexure: 8**

(₹ In Lacs)

<b>SHORT TERM BORROWINGS</b>	<b>31st March,2022</b>	<b>31st March,2021</b>	<b>31st March,2020</b>
Banks	396.2	305.06	280.28
Non Banking Finance Companies	32.09	14.4	29.02
Non Banking Finance Company	10.82		
Growth Source Financial Technology Private Limited (against personal Property of Director)			
Directors and Relatives	247.17	554.75	311.45
<b>TOTAL</b>	<b>686.28</b>	<b>874.21</b>	<b>620.75</b>

**Annexure: 9**

(₹ In Lacs)

<b>TRADE PAYABLES</b>	<b>31st March,2022</b>	<b>31st March,2021</b>	<b>31st March,2020</b>
Outstanding due to Micro and Small Enterprises	386.23	517.22	218.17
Outstanding due to Creditors other than Micro and Small Enterprises	1805.03	626.43	516.1
Advance from Customers	111.74	34.22	97.06
<b>TOTAL</b>	<b>2303.00</b>	<b>1177.87</b>	<b>831.33</b>

**Annexure: 10**

(₹ In Lacs)

<b>OTHER CURRENT LIABILITIES</b>	<b>31st March,2022</b>	<b>31st March,2021</b>	<b>31st March,2020</b>
Statutory Liabilities	86.97	0.41	1.08
<b>TOTAL</b>	<b>86.97</b>	<b>0.41</b>	<b>1.08</b>

**Annexure: 11**

(₹ In Lacs)



<b>SHORT TERM PROVISIONS</b>	<b>31st March,2022</b>	<b>31st March,2021</b>	<b>31st March,2020</b>
Income tax Provisions	40.25	1.25	0.00
<b>TOTAL</b>	<b>40.25</b>	<b>1.25</b>	<b>0.00</b>

**Annexure: 12 Restated Standalone Fixed Assets Schedule**

(₹ In Lacs)

<b>Particulars</b>	<b>31st March,2022</b>	<b>31st March,2021</b>	<b>31st March,2020</b>
<b>Computer and Printer</b>			
Opening Balance	2.38	2.38	2.38
Add : Addition During the Year	0		
Less : Deduction During the Year			-
Gross Block	2.38	2.38	2.38
Less : Depreciation	2.12	1.95	1.67
<b>Closing balance</b>	<b>0.26</b>	<b>0.43</b>	<b>0.71</b>
<b>Ro Kit</b>			
Opening Balance	0.15	0.15	0.15
Add : Addition During the Year	0		
Less : Deduction During the Year			
Gross Block	0.15	0.15	0.15
Less : Depreciation	0.08	0.06	0.04
<b>Closing balance</b>	<b>0.07</b>	<b>0.09</b>	<b>0.11</b>
<b>Air conditioner</b>			
Opening Balance	0.29	0.29	0.29
Add : Addition During the Year			
Less : Deduction During the Year			-
Gross Block	0.29	0.29	0.29
Less : Depreciation	0.14	0.11	0.10
<b>Closing balance</b>	<b>0.15</b>	<b>0.18</b>	<b>0.19</b>
<b>Furniture and Fixtures</b>			
Opening Balance	4.02	4.02	3.99
Add : Addition During the Year			0.03
Less : Deduction During the Year			
Gross Block	4.02	4.02	4.02
Less : Depreciation	1.38	1.09	0.76
<b>Closing balance</b>	<b>2.64</b>	<b>2.93</b>	<b>3.26</b>
<b>Mobile</b>			
Opening Balance	0.51	-	
Add : Addition During the Year	0.68	0.51	
Less : Deduction During the Year			-
Gross Block	1.19	0.51	-
Less : Depreciation	0.19	0.08	
<b>Closing balance</b>	<b>1.00</b>	<b>0.43</b>	<b>-</b>
<b>TOTAL</b>			
Opening Balance	7.35	6.84	6.81
Add : Addition During the Year	0.68	0.51	0.03
Less : Deduction During the Year	-	-	-
Gross Block	8.03	7.35	6.84
Less : Depreciation	3.91	3.29	2.57
Closing balance	4.12	4.06	4.27

**Annexure: 13**

(₹ In Lacs)

<b>SHORT TERM PROVISIONS</b>	<b>31st March,2022</b>	<b>31st March,2021</b>	<b>31st March,2020</b>
Finished Goods	630.36	719.50	555.25
<b>TOTAL</b>	<b>630.36</b>	<b>719.50</b>	<b>555.25</b>

**Annexure: 14**

(₹ In Lacs)

<b>TRADE RECEIVABLES</b>	<b>31st March,2022</b>	<b>31st March,2021</b>	<b>31st March,2020</b>
Debt Outstanding For Less Than 6 Months	1,072.23	400.34	772.64
Others	1,625.25	1,094.44	347.49
<b>TOTAL</b>	<b>2,697.48</b>	<b>1,494.78</b>	<b>1,120.13</b>
<b>Amount due from Directors/Group Companies/Promoters</b>	Nil	Nil	Nil

**Annexure: 15**

(₹ In Lacs)

<b>CASH AND CASH EQUIVALENTS</b>	<b>31st March,2022</b>	<b>31st March,2021</b>	<b>31st March,2020</b>
Cash On Hand	7.51	12.64	6.29
Balances with schedule bank:			
In current Account	0.01	0.07	1.42
Fixed Deposits	13.34	12.61	10.10
<b>TOTAL</b>	<b>20.86</b>	<b>25.32</b>	<b>17.81</b>

**Annexure: 16**

(₹ In Lacs)

<b>SHORT TERM LOANS AND ADVANCES</b>	<b>31st March,2022</b>	<b>31st March,2021</b>	<b>31st March,2020</b>
Loans and Advances	1.04	177.25	2.29
Balance with Revenue Authorities	20.54	9.23	12.21
Advance to Parties	248.56	49.20	131.44
Accrued Interest on FD			0.78
<b>TOTAL</b>	<b>270.14</b>	<b>235.68</b>	<b>146.72</b>

**Annexure: 17**

(₹ In Lacs)

<b>REVENUE FROM OPERATIONS</b>	<b>31st March,2022</b>	<b>31st March,2021</b>	<b>31st March,2020</b>
Trading of Goods	7,148.04	3,099.99	3,053.85
Commission on sales	127.50		
<b>TOTAL</b>	<b>7,275.54</b>	<b>3,099.99</b>	<b>3,053.85</b>

**Annexure: 18**

(₹ In Lacs)

<b>OTHER INCOME</b>	<b>31st March,2022</b>	<b>31st March,2021</b>	<b>31st March,2020</b>
Rent Income			
Interest Income	0.86	0.95	0.86
Duty Drawback		0.60	
Bad Debts Written off			
DGFT Income			
Other Misc. Income	0.18		0.14
<b>TOTAL</b>	<b>1.04</b>	<b>1.55</b>	<b>1.00</b>

**Annexure: 19**

(₹ In Lacs)

<b>COST OF MATERIAL PURCHASED</b>	<b>31st March,2022</b>	<b>31st March,2021</b>	<b>31st March,2020</b>
Cost of material	6,766.67	3,122.08	3,116.17
<b>TOTAL</b>	<b>6,766.67</b>	<b>3,122.08</b>	<b>3,116.17</b>

**Annexure: 20**

(₹ In Lacs)

<b>CHANGE IN INVENTORY</b>	<b>31st March,2022</b>	<b>31st March,2021</b>	<b>31st March,2020</b>
<b>Opening Stock</b>			
Finished Goods	719.50	555.25	333.55
<b>Closing Stock</b>			
Finished Goods	630.35	719.50	555.25
<b>Change in Inventory</b>	<b>89.15</b>	<b>(164.25)</b>	<b>(221.70)</b>

**Annexure: 21**

(₹ In Lacs)

<b>EMPLOYEE BENEFIT EXPENSES</b>	<b>31st March,2022</b>	<b>31st March,2021</b>	<b>31st March,2020</b>
Directors Remuneration			
staff Welfare	7.42	0.14	0.23
Salary and Wages	53.54	40.66	38.12
<b>TOTAL</b>	<b>60.96</b>	<b>40.80</b>	<b>38.35</b>

**Annexure: 22**

(₹ In Lacs)

<b>FINANCIAL COSTS</b>	<b>31st March,2022</b>	<b>31st March,2021</b>	<b>31st March,2020</b>
Bank Charges	2.37	2.77	4.45
Interest on Bank Loan	20.42	19.30	20.84
Processing Charges	4.50	2.57	1.91
Interest on other loan	40.14	6.94	11.72
Moratorium Interest Expenses		3.73	
<b>TOTAL</b>	<b>67.43</b>	<b>35.31</b>	<b>38.92</b>

**Annexure: 23**

(₹ In Lacs)

<b>OTHER EXPENSES</b>	<b>31st March,2022</b>	<b>31st March,2021</b>	<b>31st March,2020</b>
Auditors Remuneration	0.46	0.24	0.42
Conveyance Expenses	5.90	2.80	3.54
Office Expenses	5.47	5.08	4.04
Electricity Expenses	0.10	0.07	0.47
Other Expenses			
Computer and Printer Repairing	0.53	0.25	0.37
Freight Expenses	0.01	1.07	2.14
Packing Material	8.26		
Godown Rent	1.75	1.74	1.60
Insurance Expenses	0.69	1.58	0.52
Kasar Account		0.27	0.20
Legal and Professional Expenses	12.58	1.36	1.73
Mobile Expenses			0.42
Printing and Stationery Expenses	3.28	0.49	0.69
Interest on TDS	0.26	0.16	0.12
Telephone Expenses	0.72	0.40	0.40
Transportation Exp.	39.06	30.16	36.83
Travelling Expenses	4.26	0.07	1.67
Vehicle Expenses		0.22	0.24
Labour Expenses	21.65	3.67	3.45
Discount	5.72	7.55	5.91
Toll tax			0.03
Tea and Nasta Expenses	0.79	0.28	0.75
Courier Expenses	0.52	0.12	0.17
Misc Expenses	4.97	1.11	2.07

Profit/Loss On dollar Conversion			4.28
Rate Difference		0.61	
ROC Fees			0.12
Vehicle Repairing		0.37	0.29
Godown maintenance Expenses	0.12		
Laboratory Research and development Expenses	5.87	0.01	
Marketing and Development Expenses	5.25		
Merchant banking fees	1.00		
LC charges	0.15	0.03	
shipping and Warehouse Charges		0.42	
Direct Expenses	4.95	1.25	3.77
<b>TOTAL</b>	<b>134.32</b>	<b>61.38</b>	<b>76.24</b>

**Annexure: 24 RESTATED STANDALONE STATEMENT OF ACCOUNTING RATIOS**

(₹ In Lacs)

Particulars	31st March,2022	31st March,2021	31st March,2020
EBITDA	225.48	41.53	45.79
Basic & diluted earnings per share (Rs.)	333.40	6.91	16.86
Return on Net Worth (in Percentage)	67.12	4.23	10.78
Net Asset Value per equity share (Rs.)	<b>496.74</b>	<b>163.34</b>	<b>156.43</b>
Net Profit after tax as restated attributable to equity shareholders	116.69	2.42	5.90
Net Worth at the end of the year	173.86	57.17	54.75
weighted Average no of shares at the end of the year	35,000.00	35,000.00	35,000.00
Total number of equity shares outstanding at the end of the year	35,000.00	35,000.00	35,000.00
Notes: -			
(a) The EPS and Return on Net worth are negligible as the funds brought in by the Company after March 31,2018 has not been used for earning of the Company			
(b) EPS Calculation has been done as per Accounting Standard-20, "Earnings Per Share" issued by The Institute of Chartered Accountants of India.			

**Annexure: 25 RESTATED STANDALONE CAPITALISATION STATEMENT**

(₹ In Lacs)

Particulars	Pre issue	Post issue
	31st March,2022	31st March,2022
<b>Debt</b>		
Long Term Debt	332.60	332.60
Short Term Debt	686.28	686.28
<b>Total Debts (A)</b>	<b>1018.88</b>	<b>1018.88</b>
<b>Equity (shareholders' funds)</b>		
Equity share capital	3.50	403.70
Reserve and surplus	170.36	1290.92
<b>Total Equity (B)</b>	<b>173.86</b>	<b>1694.62</b>
<b>Long Term Debt / Equity Shareholders' funds</b>	<b>1.91</b>	<b>0.20</b>
<b>Total Debt / Equity Shareholders' funds</b>	<b>5.86</b>	<b>0.60</b>

**Annexure: 26 RESTATED STANDALONE TAX SHELTER STATEMENT**

(₹ In Lacs)

Particulars	31st March,2022	31st March,2021	31st March,2020
-------------	-----------------	-----------------	-----------------

<b>Restated Profit Before Tax (A)</b>	<b>157.43</b>	<b>5.50</b>	<b>5.99</b>
<b>Permanent Difference(B)</b>	<b>0.26</b>	<b>0.16</b>	<b>0.12</b>
Interest on TDS			
<b>TOTAL</b>	<b>0.26</b>	<b>0.16</b>	<b>0.12</b>
<b>Timing Difference (C)</b>			
Depreciation Difference	(0.05)	0.04	
<b>Taxable income under Normal provision</b>			
<b>(E=A+B+C-D)</b>	<b>157.64</b>	<b>5.70</b>	<b>6.11</b>
<b>Other source Income (F)</b>			
<b>Total taxable income (G=E+F)</b>	<b>157.64</b>	<b>5.70</b>	<b>6.11</b>
<b>Less: Deductions(H)</b>			
<b>Net Taxable Income as per IT act (I=G-H)</b>	<b>157.64</b>	<b>5.70</b>	<b>6.11</b>
Tax rate Under Normal provision % ( J )	25.17%	25.17%	25.17%
<b>Income Tax as per normal provision(K=I*J)</b>	<b>39.68</b>	<b>1.43</b>	<b>1.54</b>
Tax rate Under MAT provisions %			
<b>Income Tax as per MAT Provisions</b>			
<b>Tax Payable Higher of Normal Tax or MAT provisions</b>	<b>39.68</b>	<b>1.43</b>	<b>1.54</b>

**Annexure: 27 RESTATED STANDALONE STATEMENT OF CONTINGENT LIABILITIES**

(₹ In Lacs)

Particulars	31st March,2022	31st March,2021	31st March,2020
<b>Contingent Liabilities</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>TOTAL</b>			

**Annexure: 28 RESTATED STANDALONE STATEMENT OF RELATED PARTY TRANSACTIONS**

(₹ In Lacs)

Nature of Transaction / Name of Related Party		During the year ended March 31 <sup>st</sup>		
Particulars	Relations	2022	2021	2020
<b>Sales</b>				
Dhara Chemicals Private Limited	Associate Concern	214.09	119.60	105.67
Dipan Pharmachem Private Limited	Associate Concern			0.21
<b>TOTAL</b>		<b>214.09</b>	<b>119.60</b>	<b>105.88</b>
<b>Purchase</b>				
Dhara Chemicals Private Limited	Associate Concern	416.03	13.91	113.06
Dipan Pharmachem Private Limited	Associate Concern	214.50	1.21	72.69
<b>TOTAL</b>		<b>630.53</b>	<b>15.12</b>	<b>185.75</b>
<b>Balance outstanding</b>				
Dhara Chemicals Private Limited	Associate Concern	140.27	8.06	
Dipan Pharmachem Private Limited	Associate Concern	312.17		
<b>TOTAL</b>		<b>452.44</b>	<b>8.06</b>	
<b>Loan Taken by the Company</b>				
Dhara Chemicals Private Limited	Associate Concern	753.01	800.74	711.68
Dipan Pharmachem Private Limited	Associate Concern	1122.69	804.27	737.30
Keyur D Shah	Director	159.58	75.20	169.06
Dipna K Shah	Director	37.91	10.83	6.00
<b>TOTAL</b>		<b>2073.19</b>	<b>1691.04</b>	<b>1624.04</b>
<b>Loan repaid by the Company</b>				
Dhara Chemicals Private Limited	Associate Concern	610.89	1005.31	501.85
Dipan Pharmachem Private Limited	Associate Concern	1377.48	719.83	616.66

Keyur D Shah	Director	162.95	119.48	118.56
Dipna K Shah	Director	4.20	11.93	63.02
<b>TOTAL</b>		<b>2155.52</b>	<b>1856.55</b>	<b>1300.09</b>
<b>Balance Outstanding(Liability)</b>				
Dhara Chemicals Private Limited	Associate Concern	0.25		62.70
Dipan Pharmachem Private Limited	Associate Concern		254.79	170.35
Keyur D Shah	Director	30.74	34.11	78.39
Dipna K Shah	Director			
<b>TOTAL</b>		<b>30.99</b>	<b>288.90</b>	<b>311.44</b>
<b>Balance Outstanding(Asset)</b>				
Dhara Chemicals Private Limited	Associate Concern		141.87	
Dipan Pharmachem Private Limited	Associate Concern			
Keyur D Shah	Director			
Dipna K Shah	Director		33.71	32.61
<b>TOTAL</b>			<b>175.58</b>	<b>32.61</b>

## MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management’s perspective on our financial condition and results of operations for the year ended on March 31, 2022, March 31, 2021 and March 31, 2020. You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section entitled “*Risk Factors*” beginning on page 17 of this Draft Prospectus, 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 fiscal year ends on March 31 of each year, so all references to a particular fiscal year (“Fiscal Year”) are to the twelve-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to “we”, “us” or “our” refers to Dipna Pharmachem Limited, our Company. Unless otherwise indicated, financial information included herein are based on our “*Restated Financial Statements*” for the Financial Years 2021-22, 2020-21, and 2019-20 included in this Draft Prospectus beginning on page 94.

### BUSINESS OVERVIEW

Our Company is engaged in the trading and distribution of wide range of pharmaceutical raw material and chemical formulation products, which is also known as APIs (Active Pharmaceutical Ingredients). Presently our product portfolio comprises of 61 AIPs and AIPs intermediates such as Cephalosporins, Cardiovasculars, Anti – Bacteria, Quinolones, Veterinary, Anti – Virus, Anti – Inflammatory, Neuropsychiatry, Steroid Hormone, other etc. Being a trading and distribution company, we have pan India market for our products.

### SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR:

After the date of last financial year i.e. March 31, 2022, there is no any significant development occurred in the Company.

### KEY FACTORS AFFECTING THE RESULTS OF OPERATION:

Our Company’s future results of operations could be affected potentially by the following factors:

1. Changes in Laws and Regulations that apply to our Industry.
2. Changes in Fiscal, Economic or Political conditions in India
3. Company’s inability to retain the experienced staff
4. Failure to adapt the changing technology in our industry of operation may adversely affect our business
5. Failure to comply with regulations prescribed by authorities of the jurisdiction in which we operate
6. Competition with existing and new entrants
7. Reduction of the sub contact from the big contracting Company.

### OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer Significant Accounting Policies, “Annexure IV” beginning under Chapter titled “Restated Financial Information” beginning on page 94 of the Draft Prospectus.

### RESULTS OF KEY OPERATIONS

(₹ in lakhs)

Particulars	For the year ended on		
	31.03.2022	31.03.2021	31.03.2020
<b>Income from continuing operations</b>			
Revenue from operations			
Trading of Chemicals	7275.54	3099.99	3,053.85

<b>Total Revenue</b>	<b>7,275.54</b>	<b>3,099.99</b>	<b>3,053.85</b>
<b>% of growth</b>	134.70	1.51	
Other Income	1.04	1.55	1
% total Revenue	0.01	0.05	0.03
<b>Total Revenue</b>	<b>7,276.58</b>	<b>3,101.54</b>	<b>3,054.85</b>
	134.61	1.53	
<b>Expenses</b>			
Direct Expenses	6,855.82	2,957.83	2,894.47
% total Revenue	94.22	95.37	94.75
Employee benefits expense	60.96	40.8	38.35
<b>% Increase/(Decrease)</b>	49.41	6.39	
Finance Costs	67.43	35.31	38.92
<b>% Increase/(Decrease)</b>	90.97	(9.28)	
Other expenses	134.32	61.38	76.24
<b>% Increase/(Decrease)</b>	118.83	(19.49)	
Depreciation and amortisation expenses	0.62	0.72	0.88
<b>% Increase/(Decrease)</b>	(13.89)	(18.18)	
<b>Total Expenses</b>	<b>7,119.15</b>	<b>3,096.04</b>	<b>3,048.86</b>
% to total revenue	97.84	99.82	99.80
<b>EBDITA</b>	<b>225.48</b>	<b>41.53</b>	<b>45.79</b>
<b>% to total revenue</b>	3.10	1.34	1.50
<b>Restated profit before tax from continuing operations</b>	157.43	5.50	5.99
<b>Exceptional Item</b>			
Total tax expense	<b>40.74</b>	<b>3.08</b>	<b>0.09</b>
<b>Restated profit after tax from continuing operations (A)</b>	116.69	2.42	5.90
<b>% to total revenue</b>	<b>1.60</b>	<b>0.08</b>	<b>0.19</b>

#### **COMPARISON OF F.Y. 2021-22 WITH F.Y. 2020-21:**

##### **Income from Operations**

Our Company is engaged in trading and distribution of wide range of pharmaceutical raw material and chemical formulation products. In the F.Y.2021-22, Company's total revenue was ₹7275.54 Lakhs, which is increased by 134.70 % in compare to F.Y. 2020-21 total Income of ₹3099.99 Lakhs. After the end of covid period the company had achieved the growth in the business and the turnover is increased substantially. The total revenue also includes the commission income of ₹ 127.50 lacs in FY 2021-22

##### **Expenditure:**

##### **Direct Expenses**

The Direct Expenses in F.Y. 2021-22 was ₹6855.82 lakhs which was ₹2957.83 lacs in F.Y. 2020-21. The direct expenses was 94.22% in the F.Y.2021-22 as compared to 95.37% in F.Y. 2020-21. The percentage of Direct Expenses is the material purchased by the Company. On account of increase in volume of business the Company has purchased the raw material at better price.

##### **Employee Benefits Expenses:**



The Employee expenses for F.Y. 2021-22 was ₹60.96 Lakhs against the expenses of ₹40.80 Lakhs in F.Y. 2020-21 showing increased by 49.41%.The increase in the employee expenses was on account of increase of employees employed in FY 2022 as compared to FY 2021.

#### **Finance Cost:**

The Finance Cost for the F.Y. 2021-22 was ₹67.43 Lakhs against the cost of ₹35.31 Lakhs in the F.Y. 2020-21 showing increase of 90.97%. The increase of the Finance Charges is on account of enhancement of borrowing by the Company. The Interest on other loan paid was ₹ 40.14 lacs in FY 2022 as compared to ₹ 6.94 lacs in FY 2021.

#### **Other Expenses**

Other Expenses increased to ₹134.32 lakhs for F.Y. 2021-22 against ₹61.38 Lakhs in F.Y. 2020-21 showing increase of 90.97%.The other expenses increased in FY 2022 compared to FY 2021 on account of increase in the volume of business in FY 2022 by 134.70% as compared to FY 2021.The company had spend more amount on labor charges, marketing and Development expenses and laboratory research and Development expenses.

#### **EBDITA**

The EBDITA for F.Y. 2021-22 was ₹225.48 Lakhs as compared to ₹41.53 Lakhs for F.Y. 2020-21. The EBDITA was 3.10% of total Revenue as compared to 1.34 in FY 2020-21. The increase in EBDITA was on account of Commission income of ₹127.50 lacs in FY 2022 which was nil in Fy 2021.

#### **Profit after Tax (PAT)**

PAT is ₹116.69 Lakhs for the F.Y. 2021-22 in compare to ₹2.42 Lakhs in F.Y. 2020-21. The PAT was 1.60% of total revenue in F.Y. 2021-22 compared to 0.08 % of total revenue in F.Y. 2020-21.The PAT was increased due to increase increase in the volume of business in FY 2022 by 134.70% as compared to FY 2021. The increase in PAT was on account of Commission income of ₹127.50 lacs in FY 2022 which was nil in Fy 2021

#### **COMPARISON OF F.Y. 2020-21 WITH F.Y. 2019-20:**

##### **Income from Operations**

Our Company is engaged in trading and distribution of wide range of pharmaceutical raw material and chemical formulation products. In the F.Y. 2020-21, Company's total revenue was ₹3099.99 Lakhs, which is increased by 1.51% in compare to F.Y. 2019-20 total Income of ₹3053.85 Lakhs.

##### **Expenditure:**

The Direct Expenses in F.Y. 2020-21 was ₹2957.83 lakhs which was ₹2894.47 lacs in F.Y. 2019-20. The direct expenses was 95.37% in the F.Y. 2020-21 as compared to 94.75% in F.Y. 2019-20.

##### **Employee Benefits Expenses:**

The Employee expenses for F.Y. 2020-21 was ₹40.8 Lakhs against the expenses of ₹38.35 Lakhs in F.Y. 2019-20 showing increase of 6.39%.

##### **Finance Cost:**

The Finance Cost for the F.Y. 2020-21 was ₹35.31 Lakhs against the cost of ₹38.92 Lakhs in the F.Y. 2019-20 showing decrease by 9.28 %. The Interest on other loan paid was ₹ 6.94 lacs in FY 2021 as compared to ₹ 11.72 lacs in FY 2020.

##### **Other Expenses**

Other Expenses Decreased to ₹61.38 Lakhs for F.Y. 2020-21 against ₹76.24 Lakhs in F.Y. 2019-20 showing decrease of 19.49%. The other expenses in FY 2019 was high due to loss of ₹ 4.28 lacs incurred in Foreign currency Transaction and higher transportation charges.

### **EBDITA**

The EBDITA for F.Y. 2020-21 was ₹41.53 Lakhs as compared to ₹45.79 Lakhs for F.Y. 2019-20. The EBDITA was 1.34% of total Revenue in FY 2021 as compared to 1.50 % in F.Y. 2019.

### **Profit after Tax (PAT)**

PAT is ₹3.08 Lakhs for the F.Y. 2020-21 in compare to ₹0.09 Lakhs in F.Y. 2019-20. The PAT was 0.08 % of total revenue in F.Y. 2020 compared to 0.19 % of total revenue in F.Y. 19.

### **Information required as per Item 11(II)(C)(iv) of Part A of Schedule VI to the SEBI Regulations:**

#### **1. Unusual or infrequent events or transactions**

To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three years other than shut down of business due to COVID-19.

#### **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 17 of this Draft Prospectus. To our knowledge, except as we have described in this Draft Prospectus, there are no known factors which we expect to bring about significant economic changes.

#### **3. Income and Sales on account of major product/main activities**

Income and sales of our Company on account of major activities derives from trading and distribution of wide range of pharmaceutical raw material and chemical formulation products

#### **4. Whether the company has followed any unorthodox procedure for recording sales and revenues**

Our Company has not followed any unorthodox procedure for recording sales and revenues.

#### **5. 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*" beginning on page 17 in this Draft 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.

#### **6. 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.**

Increases in revenues are by and large linked to increases in volume of business.

#### **7. Total turnover of each major industry segment in which the issuer company operated.**

The Company is in the business of trading and distribution of wide range of pharmaceutical raw material and chemical formulation products , the relevant industry data, as available, has been included in the chapter titled "*Industry Overview*" beginning on page no 60 of this Draft Prospectus.

**8. Status of any publicly announced new products or business segment.**

Our Company has not announced any new services or business segment.

**9. The extent to which business is seasonal.**

Our Company's business is not seasonal,

**10. Any significant dependence on a single or few suppliers or customers.**

Our Company is not dependent on any single or few suppliers of customers.

**11. Competitive conditions.**

Competitive conditions are as described under the Chapters titled "*Industry Overview*" and "*Business Overview*" beginning on pages 60 and 66, respectively of this Draft Prospectus.

## FINANCIAL INDEBTEDNESS

Our Company has availed certain loans in the ordinary course of business.

### (A) Secured Borrowings

Name of the Lender	Sanction Amount (Rs. In Lacs)	Purpose	Amount o/s as on March 31,2022 (Rs in Lakhs)	Margin	Interest Rate Per Annum	Repayment Schedule	Security (Combined Security)
Indusind Bank	195.00 Cash Credit	Working capital	193.69	Book Debt 40% (less than 90 days) Stocks (finished goods) 25%	Floating rate of MCLR Overnight +0.95% Presently 9.10%	Repayable on Demand, subject to review at annual intervals or as may be decided by the bank	<b>Personal Guarantee</b> Dipna Keyur Shah Keyur Dipakkumar Shah Dipak Kumar Shah <b>Corporate Guarantee</b> Dhara Chemicals Dipan Pharma Chem <b>Primary Securities</b> First and Exclusive Charge on Hypothecation of the current assets <b>Collateral Securities</b> Commercial land and Building A-211, Second Floor, B/h Police Station, S.G. Highway, Ahmedabad (113Sq Mts.)Market value (54.50 Lacs)in the name of
	90.00 Letter of Credit	Procurement of raw Material	87.56	20% in the form of lien marked Fixed Deposit Receipt with IBL		Repayable on Demand, subject to review at annual intervals or as may be decided by the bank	
	35.49 Working capital Term loan	Procurement of Stock, Payment of creditors, Payment of arrears of salaries, Taxes and other dues and other activities as per GECL Scheme	28.59	Nil	EBLR (presently9.2%)+1%, Subject to max 9.25% p.a during the loan tenor.	Maximum 4 years from the date of Disbursement and moratorium of 12 months for principal only, interest is payable monthly intervals	

	7.00 Vanilla Forward Cover	To hedge currency exposure for Import/Export transactions		Cash margin 100%			Keyur Shah Commercial land and Building A- 214, Second Floor, B/h Police Station, S.G. Highway, Ahmedabad (250Sq Mts.)Market value (121.50 Lacs) in the name of Dipna Keyur Shah
	<b>[Sub-Limit of cash Credit</b>	To hedge currency exposure for Import/Export transactions		As Applicable to Cash Credit			
	Pre Shipment(100. 00)	Pre shipment Working Capital		As Applicable to Cash Credit		Maximum Bill 3 months	Residential Building at 16, Devpriya Bungalows II, Behind Shivalik Bungalow, New, S NO. 545/1,2,3 Paiki Ahmedabad (area 191 Sq.mts)(mark et value (275.33 lakhs) in the name of Keyur Shah and Dipak Shah First and exclusive charge on lien of the FDR/cash deposit of rs. 60 lacs <b>(common Collateral for group exposure in Dhara Chemicals,</b>
	Post Shipment(100. 00)	Post shipment Working Capital		As Applicable to Cash Credit		DP/DA not exceeding 90 days.	
	Letter of Credit (195.00)	Working Capital Requirement		20% in the form of lien marked Fixed Deposit Receipt with IBL	Floating rate of MCLR+OD one year +2.00% Presently 10.60%		
	Bank Guarantee  (90.00)]			20% in	Floating rate of MCLR+OD one year +2.00% Presently 10.60%		

				the form of lien marked Fixed Deposit Receipt with IBL			Dipan Pharma Chem and Dipna pharma chem Private Limited)
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**Other Conditions: (from General covenants)**

1. The borrower will shift all their business accounts (group/sister concerns current accounts) and family saving accounts to IndusInd Bank
2. The borrower will make IndusInd its preferred bank for all its personal and business needs.
3. Notwithstanding anything contained in this sanction letter, IndusInd bank reserves the right to enquire, obtain, acquire any or all financial details of the borrowers from Central Repository Of Information on Large Credits (CRILC) or from any other sources, as it may deemed fit, at any stage or at any time during the currency of the loan account/s of the borrower and further reserves the right at sole discretion of IndusInd Bank, to withhold further disbursement/s and/or cancel/modify/amend this sanction letter based on the findings from CRILC or any other sources as it may deemed fit, if such findings categorise the account/s of the borrower under any or all of categories of SMA which in the view of IndusInd bank has the effect of reducing the credit worthiness of the borrowers.
4. The firm shall avail working capital facilities with us under sole banking arrangement. Without written permission of the bank the firm shall not avail any working capital facility with any other bank, all other current accounts with other banks to be closed and certificate to the extent be kept in record by IndusInd bank.
5. The bank will have the right to examine books of accounts of the borrower and to have their factories inspected from time to time by officers of bank and/or outside consultants and the expenses incurred by the bank in this regard will be borne by the borrower.
6. The bank may at its sole discretion disclose such information to such institution(s) in connection with the credit facilities granted to the borrower.
7. During the currency of the bank's credit facilities, the borrower shall not without the prior approval of bank in writing :
  - Effect any change in their capital structure.
  - Shall not pledge the shares held by the promoters, group beyond 10% of holdings, for raising any loan or for securitizing any loans or advances availed/to be availed by them from any bank/FI/lender.
  - Formulate any scheme of amalgamation / reconstruction.
  - Undertake any new project/scheme without obtaining the bank's prior consent unless the expenditure on such expansion etc., is covered by the borrower's net cash accruals after providing for dividends, investments, etc., or from long term fund received for financing such new project or expansion.
  - Invest by way of share capital in or lend or advance funds to or place deposits with any other concern. Normal trade credit or security deposit in the usual course of business or advances to employees, etc., are, however, not covered by this covenant.
  - Enter into borrowing arrangements either secured or unsecured with any other bank, financial institute, borrower or otherwise save and except the working capital facilities, granted/to be granted by other consortium/member banks, under consortium/ multiple banking arrangement and the term loans proposed to be obtained from financial institutions/Banks for completion of the replacement-cum-modernization programme.
  - Undertake guarantee obligations on behalf of other companies/ associates/affiliates.
  - Declare dividends for any year except out of the profits relating to that year.
  - Grant loans to promoters/ partners / Directors.
8. Moneys brought in by principal shareholders/ directors / depositors / depositors will not be allowed to be withdrawn without the Bank's permission.

9. The borrower should not make any material change in their management set up without the Bank's permission. No material change in the shareholding pattern of the company which has an effect of a possible change in the management control of the company shall be made without prior approval of the Bank.
10. The borrower will keep the Bank informed of the happening of any event, likely to have a substantial effect on their production, sales, profits, etc., such as labour problem, power cut, etc., and the remedial steps proposed to be taken by the borrower.
11. Bank's Sign Board(s) be displayed/ painted at some conspicuous place at the shop/Godown of the borrower, mentioning our Bank's Charge on the goods lying there.
12. The Borrower will inform the Bank if any winding up petition is filed against the Borrower.
13. The borrower will keep the Bank advised of any circumstances adversely affecting the financial position of their subsidiaries including any action, taken by any creditor against any of the subsidiaries.
14. The borrower shall submit the declarations as regards:
  - Not to use the funds for capital market activities,
  - That neither the company nor the directors face any litigation,
  - The Directors / senior executives of the company, and / or their relatives are not connected with the bank (IBL) and are not directors in any other bank,
  - No commission has been paid to guarantors on expanding their guarantee for the advance.
15. The bank would charge the standard service charges in respect of different items of service as in force from time to time.
16. The borrower to furnish to the bank every year two copies of audited/printed balance sheet and profit and loss account statements of the borrower immediately on being published / signed by the auditors, along with the usual renewal particulars.
17. To forward half-yearly printed balance sheet and profit and loss account statements within two months from the end of half-year and annual audited accounts within three months.
18. The borrower / owner shall deposit all the title documents of collateral security required as per title search report (by bank's empaneled lawyer) in case of EM/simple/English mortgage to be created on said collateral.
19. The borrower undertake that in the event entity assumes foreign exchange risk, the borrower shall submit information on a quarterly basis as per the bank's format in terms of RBI guidelines on "Capital and Provisioning Requirements for Exposures to entities with Unhedged Foreign Currency Exposure" or any other guidelines in force from time to time. Failure to submit such information would attract penal interest of 2% p.a.
20. Others-
  - Non-fulfillment of above financial and non-financial covenants will trigger an event of default, unless specifically waived in writing. Consequence of an event of default could be levy of penal interest and/or withdrawal of the facility.
  - In the event of withdrawal/ cancellation of the facility, the borrower accepts to fully cash collateralize any exposure that the Bank has assumed on the client or on behalf of the client, which could not be immediately repaid or unwound.
  - Borrower/facilities should conform to guidelines that have been/will be issued by RBI from time to time.
  - All interest and cess are exclusive of any taxes and withholdings that may be payable on account of prevailing statutes.
  - The Bank has the right to change or modify the rate of interest, or alters the spread, at such intervals or whenever it may deem fit, and a notice of the change to the Borrower will be binding on them.
  - The Bank reserves the right at its sole discretion without assigning any reason whatsoever, to modify, vary or add to the terms and conditions, or to terminate the said Banking Facilities concerned, at any time, and to recall any or all of the amounts due under the said Banking Facilities. All amounts due in respect of the said Banking Facilities shall become payable forthwith on such demand.
  - As regards the un-utilised limits if any under the facility, Bank reserves the right at any point of time, to revoke or cancel and/or vary, alter or modify the said un-utilised limits, at Bank's discretion without prior notice & without assigning any reasons therefore.

- The copy of Annual Stock Audit Report should be made available to the Bank (in case of consortium /Multiple Banking).
- The company shall pay on demand to the bank the cost between the solicitors/ advocates/ company secretaries/ inspectors and clients incurred by them or any of them in connection with the registration of the securities and clarifications/ charges thereof with the Registrar of Companies, compilation of search/ status reports and/ or any other matter incidental to or in connection with transactions of the Company with the Bank and also reimburse the Bank for all out-of-pocket expenses including legal, stamping, documentation, communication and travel costs incurred in the negotiation, documentation, and disbursement of the facility.
- The company shall deposit sales proceeds and shall route all foreign exchange business and other ancillary business through their account maintained with us in proportion to our share in the capital financing.
- Moneys brought in by partners/ proprietors/ principal shareholders/directors and their friends and relatives will not be allowed to be maintained at lower than the projected levels without Bank's written permission.
- Company should furnish a written confirmation that the company/ its directors in the best of their knowledge and belief are not defaulters with any bank/FI, and there are no legal proceedings initiated or pending against them for recovery of any borrowings.
- The Borrower/Guarantor hereby expressly give consent to the Bank to disclose any information, at any point of time, relating to conduct and operations of the account to the Reserve Bank of India and / or any other Agency/ Authority such as Credit Information Bureau (India) Ltd. appointed/ designated by Reserve Bank of India. The Bank, without any further notice or intimation, can disclose and supply any information to the Reserve Bank of India and / or any Agency/ Authority appointed by Reserve Bank of India. The Borrower/ Guarantor, further agree that Reserve Bank of India and/or any other Authority so appointed can compile such data and/or information and can convey/ supply such data and/or information and/or results thereof to Government, Reserve Bank of India, Other Banks, and/or Financial Institutions for any reasons whatsoever, for Credit Discipline in Banking Industry in India. The Borrower/Guarantor expressly waive their right and discharge the Bank and/or Reserve Bank of India and/or any other Authority appointed by Reserve Bank of India from any liability for disclosure and/or use of such information on account of breach of any secrecy clause.
- Incase in the opinion of the Bank's there has been a material adverse change in the Borrower's business and financial condition, such as:
  - Sale or curtailment or closure of any of the Borrowers main business,
  - Cash losses in any quarter or continuing accounting losses in three quarters,
  - Adverse action by any Regulatory Authority,
  - Default to the bank under any other facility or to any other lender,
  - Action by any class of stakeholder which is likely to significantly impair borrower's business.
  - Filing of winding up petition by any creditor / shareholder against the borrower.

The bank is entitled to withhold further disbursement and/or recall the loan in part or full.

#### 21. Negative Lien:

The borrower / promoters should nor create, without prior consent of the bank, charges on their any or all properties or assets during the currency of the credit facilities granted by the bank.

#### 22. Insurance:

- All stocks and collateral securities like immovable properties should be kept fully insured against all risks including fire, strikes, riot, malicious damages & natural calamities etc., with the incorporation of bank's hypothecation clause and the policies retained by the borrower.
- A copy of this policy should be submitted to the bank for their record,
- A list of current insurance policies should be submitted to us with the monthly stock statements detailing therein the names and addresses of the insurer, brief particulars of goods covered, type of cover, amount of cover and date of expiry of each policy.

Name of the Lender	Sanction Amount (Rs. In Lacs)	Purpose	Amount o/s as on March 31,2022	Margin	Interest Rate Per Annum	Repayment Schedule	Security
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			(Rs in Lacs)				
Standard Chartered Bank	250.00 lacs Business Working capital facilities  Sub Limit Overdraft Facility 250.00 lacs  Short term Loan 250.00 lacs	Working capital requirement	Rs. 75.01/-	Nil	(EBR+ Spread {6.25}}] p.a	Review Date of facility 20/08/2022	Residential property located at Bungalow No. 29 & sub plot No. 2, paiki (A side - currently Part of Bungalow No. 29) Dev priya Bungalows part-2, Nr. Shivalik Bungalows, Nr. Agrawal Tower, Anandnagar char Rasta, satellite, Ahmadabad - 380015 .owned by Keyur Dipak Shah and Dipna Keyur Shah

#### Other Conditions

1. Borrower not to withdraw Capital/Quasi Equity without prior permission.
2. Proportionate Business transactions to be done from SCB working capital.
3. Limits to be released only after mortgage creation.
4. All property owners to be part of loan structure.
5. NOC to be taken from Standard Chartered Bank before taking any loan from any other bank/FI. Also NOC to be taken from SCB before opening account with any other bank.
6. Property insurance to be taken and kept on record.
7. NOC from IndusInd Bank for multiple banking to be on record.
8. Property to be cross collateralized With LAP Facility availed by Dipan Pharma Chem under LAN-53189779

#### Other Loans

Sr. No	Name of the Bank/ NBFC	Amount Sanctioned ( Rs in Lacs)	Outstanding as on March 31,2022 (Rs. In Lacs)	Tenure	Monthly Installment	Rate of Interest 9 in %)	Security
1	Ambit Finvest Private Limited	13.30	7.64	24 Months	67367	19.50	Unsecured loan
2	Bajaj Finance	20.11	14.78	36 months	72955	18.25	SME Unsecured

	Limited						
3	Centrum Financial Services Limited	20.00	18.29	36 Months	73313	19.00	Business Loans
4	UGRO Capital Limited	15.15	13.73	36 Months	55533	19	Structured Finance
5	Growth Source Technologies Private Limited	215.00	192.04	120 months	63185	11.25	Property of one director
6	Hero FinCorp Limited	20.20	18.29	36 months	73028	18	
7	ICICI Limited	15.00	13.78	36 Months	54550	18	Personal loan
8	IDFC First Bank	20.32	1.12	29 Months	98772	19.50	
9	Aditya Birla Fashions Limited	30.00	21.31	36 Months	109969	19	Business Installment Loan

#### (B) UNSECURED BORROWINGS

As on March 31,2022 the outstanding unsecured loans from the following parties

Sr. No	Name of person	Amount outstanding as on March 31,2022(Rs in Lacs)	Terms of Repayment	Rate of Interest
1	Aryan Enterprise	293.21	Repayable on demand	Interest Free
2	Dhara Chemical	0.25	Repayable on demand	Interest Free
3	Dipan Pharma Chem	0.01	Repayable on demand	Interest Free
4	Keyur Dipak Shah	30.75	Repayable on demand	Interest Free
5	United Formulation INC	8.82	Repayable on demand	Interest Free
	<b>Total</b>	<b>333.04</b>		

## OTHER FINANCIAL INFORMATION

### RESTATED STANDALONE STATEMENT OF ACCOUNTING RATIOS

(₹ In Lacs)

Particulars	31st March,2022	31st March,2021	31st March,2020
EBITDA	225.48	41.53	45.79
Basic & diluted earnings per share (Rs.)	333.40	6.91	16.86
Return on Net Worth (in Percentage)	67.12	4.23	10.78
Net Asset Value per equity share (Rs.)	<b>496.74</b>	<b>163.34</b>	<b>156.43</b>
Net Profit after tax as restated attributable to equity shareholders (Rs.)	116.69	2.42	5.90
Net Worth at the end of the year (Rs.)	173.86	57.17	54.75
weighted Average no of shares at the end of the year	35,000.00	35,000.00	35,000.00
Total number of equity shares outstanding at the end of the year	35,000.00	35,000.00	35,000.00
Notes: -			
(a) The EPS and Return on Net worth are negligible as the funds brought in by the Company after March 31,2018 has not been used for earning of the Company			
(b) EPS Calculation has been done as per Accounting Standard-20, "Earnings Per Share" issued by The Institute of Chartered Accountants of India.			

### RESTATED STANDALONE CAPITALISATION STATEMENT

(₹ In Lacs)

Particulars	Pre issue	Post issue
	31st March,2022	31st March,2022
<b>Debt</b>		
Long Term Debt	332.60	332.60
Short Term Debt	686.28	686.28
<b>Total Debts (A)</b>	<b>1018.88</b>	<b>1018.88</b>
<b>Equity (shareholders' funds)</b>		
Equity share capital	3.50	403.70
Reserve and surplus	170.36	1290.92
<b>Total Equity (B)</b>	<b>173.86</b>	<b>1694.62</b>
<b>Long Term Debt / Equity Shareholders' funds</b>	<b>1.91</b>	<b>0.20</b>
<b>Total Debt / Equity Shareholders' funds</b>	<b>5.86</b>	<b>0.60</b>

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (I) criminal or Civil proceedings (II) actions taken by statutory or regulatory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five (5) Financial Years, including outstanding action, (IV) claims related to direct and indirect taxes in a consolidated manner, (V) details of any other pending material litigation which are determined to be material as per a policy adopted by our Board (“Materiality Policy”), in each case involving our Company, Promoters and Directors (the “Relevant Parties”).

For the purpose of point (V) above, our Board has considered and pass the Resolution for identification of material litigation involving the Relevant Parties in its meeting held on May 16, 2022 and has considered for identification of material litigation involving the Relevant Parties.

In terms of the Materiality, all pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters since incorporation including outstanding action, and tax matters, would be considered ‘material’ if:

(a) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of ₹ 15.00 lakhs shall be considered material; or

(b) the monetary liability is not quantifiable, however, the outcome of any such pending proceedings may have a bearing on the business, operations, performance, prospects or reputation of our Company.

Except as stated in this section, there are no Outstanding Material Dues (as defined below) to creditors; or outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on May 16, 2022 determined that outstanding dues to creditors in excess of ₹ 15.00 lakhs as per the restated financials for the period ended March 31, 2022 shall be considered as material dues (“Material Dues”).

Unless otherwise stated to the contrary, the information provided is as of the date of this Draft Prospectus.

Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI ICDR Regulations have been disclosed on our website at [www.dipnapharmachem.com](http://www.dipnapharmachem.com). It is clarified that for the purposes of the above, pre – litigations notices received by our Company Promoters, and the Directors shall, unless otherwise decided by the Board, not be considered as material litigations until such time that litigations proceedings are initiated before any judicial forum.

### PART I –LITIGATIONS INVOLVING OUR COMPANY

#### A. LITIGATIONS AGAINST OUR COMPANY

- 1) Criminal Litigations  
NIL
- 2) Civil Proceedings  
NIL
- 3) Taxation Matters  
NIL
- 4) Proceedings against Our Company for economic offences/securities laws/ or any other law  
NIL
- 5) Penalties in Last Five Years  
NIL

- 6) Pending Notices against our Company  
NIL
- 7) Past Notices to our Company  
NIL
- 8) Disciplinary Actions taken by SEBI or stock exchanges against Our Company  
NIL
- 9) Defaults including non-payment or statutory dues to banks or financial institutions  
NIL
- 10) Details of material frauds against the Company in last five years and action taken by the Companies.  
NIL

#### **B. LITIGATIONS FILED BY OUR COMPANY**

- 1) Criminal Litigations  
NIL
- 2) Civil Proceedings  
NIL
- 3) Taxation Matters  
NIL
- 4) Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law.  
NIL

#### **PART II –LITIGATIONS INVOLVING DIRECTOR(S) OF OUR COMPANY**

##### **A. LITIGATIONS AGAINST DIRECTOR(S) OF OUR COMPANY**

- 1) Criminal Litigations  
Other than stated in the Litigation against Promoter there are no other outstanding criminal litigation against any of our Director.
- 2) Civil Proceedings  
NIL
- 3) Taxation Matters  
NIL
- 4) Past Penalties imposed on our Directors  
NIL
- 5) Proceedings initiated against our Directors for economic offences/securities laws/ or any other law  
NIL
- 6) Directors on list of wilful defaulters of RBI  
NIL

##### **B. LITIGATIONS FILED BY DIRECTOR(S) OF OUR COMPANY**

- 1) Criminal Litigations  
NIL
- 2) Civil Proceedings  
NIL
- 3) Taxation Matters  
NIL

#### **PART III –LITIGATIONS INVOLVING PROMOTER(S) OF OUR COMPANY**

##### **A. LITIGATIONS AGAINST PROMOTER(S) OF OUR COMPANY**

- 1) Criminal Litigations

- 1) **Case under the Negotiable Instrument Act, Section 138 & 141- Chirag Dave (Complainant) Proprietor of Ashutosh Medical Agency Vs. M/s Bleach Health Care Bleavent Private Limited(bleach) and Mr. Keyur D. Shah (Director) (opponent)**

**Criminal Case Number: 15344/2019**

The Complainant has filed the criminal case on October 14, 2019 against our promoter Mr. Keyur Shah under Negotiable Instrument Act, 1881 for dishonor of Cheque. The Complainant being Proprietor of Ashutosh Medical Agency has given sum of ₹ 11,50,000/- Franchisee Consignee Deposit to the M/s Bleach Health Care Bleavent Private Limited. The franchisee Consignee was cancelled and cheque of ₹2,65,000 drawn on IDBI Bank, Branch Ghatlodiya, Ahmedabad was issued by the bleach which was signed by the Promoter of issuer Company. The said cheque was dishonored by the bank with a note that the party has stopped the payment. The complainant has given legal notice on September 11, 2019.to M/s Bleach Health Care Bleavent Private Limited for dishonoured cheque. The Bleach has not given any reply for the said notice . The complainant had filed the case under The Negotiable Instrument Act in the court of Additional Chief Metropolin Magistrate Ahmedabad. The case was adjourned for hearing on 20/08/2022.

**Criminal Case Number: 15324/2019**

- 2) The Complainant has filed the criminal case on October 14, 2019 against our promoter Mr. Keyur Shah under Negotiable Instrument Act, 1881 for dishonor of Cheque. The Complainant being Proprietor of Ashutosh Medical Agency has given sum of ₹ 11,50,000/- Franchisee Consignee Deposit to the M/s Bleach Health Care Bleavent Private Limited. The franchisee Consignee was cancelled and two cheques of ₹3,00,000 each drawn on Kotak Mahindra Bank Limited , satellite Branch Ahmedabad was issued by the bleach which were signed by the Promoter of issuer Company. The said cheques were dishonored by the bank with a note that the party has stopped the payment. The complainant has given legal notice on August 21, 2019.to M/s Bleach Health Care Bleavent Private Limited for dishonoured cheques. The Bleach has not given any reply for the said notice. The complainant had filed the case under The Negotiable Instrument Act in the court of Additional Civil Judge-cum-Judicial Magistrate First Class. The case was adjourned for hearing on 12/07/2022.
- 2) Civil Proceedings  
NIL
- 3) Taxation Matters  
NIL
- 4) Past Penalties imposed on our Promoters  
NIL
- 5) Proceedings initiated against our Promoters for economic offences/securities laws/ or any other law  
NIL
- 6) Penalties in Last Five Years  
NIL
- 7) Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in the past  
NIL
- 8) Adverse finding against Promoter for violation of Securities laws or any other laws  
NIL

**B. LITIGATIONS FILED BY PROMOTERS(S) OF OUR COMPANY**

- 1) Criminal Litigations  
NIL
- 2) Civil Proceedings  
NIL
- 3) Taxation Matters  
NIL

**PART IV –LITIGATIONS INVOLVING SUBSIDIARY COMPANY:**

**AS ON DATE OF THIS DRAFT PROSPECTUS, OUR COMPANY DOES NOT HAVE ANY SUBSIDIARY COMPANY.**

**PART V –LITIGATIONS INVOLVING GROUP COMPANY:**

**AS ON DATE OF THIS DRAFT PROSPECTUS, OUR COMPANY DOES NOT HAVE ANY LITIGATIONS INVOLVING GROUP COMPANY.**

**PART VI –OTHER MATTERS**

**NIL**

**PART VII –DETAILS OF ANY INQUIRY, INSPECTION OR INVESTIGATION INITIATED UNDER PRESENT OR PREVIOUS COMPANIES LAWS IN LAST FIVE YEARS AGAINST THE COMPANY OR ITS SUBSIDIARIES - NIL**

**PART VIII –OUTSTANDING LITIGATION AGAINST OTHER COMPANIES OR ANY OTHER PERSON WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY - NIL**

**PART IX –MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET**

Except as mentioned under the chapter - “*Management Discussion and Analysis of Financial Condition and Result of Operation*” on page 108 of this Draft Prospectus, there have been no material developments, since the date of the last audited balance sheet.

**PART X –OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS**

As on March 31, 2022, our Company had 82 creditors, to whom a total amount of ₹ 2191.26 lakhs were outstanding. As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated May 16, 2022, considered creditors to whom the amount due exceeds ₹ 15.00 lakhs as per our Company's restated financials for the purpose of identification of material creditors. Based on the above, the following are the material creditors of our Company.

<b>Sr.No.</b>	<b>Particulars</b>	<b>Amount (₹. in Lakhs)</b>
1.	Amount due to Micro and Small Enterprises.	385.77*
2.	Amount due to Material Creditors.	1769.80
3.	Amount due to Other Creditors.	35.69
	<b>Total</b>	<b>2191.26</b>

\*The above information has been provided as available with the company to the extent such parties could be identified on the basis of the information available with the company regarding the status of supplier under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). For complete details about outstanding dues to creditors of our Company, please see website of our Company [www.dipnapharmachem.com](http://www.dipnapharmachem.com).

Information provided on the website of our Company is not a part of this Draft Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website: [www.dipnapharmachem.com](http://www.dipnapharmachem.com) would be doing so at their own risk.

**WILFUL DEFAULTER**

Our Promoters and Directors have not been identified as a willful defaulter in terms of the SEBI ICDR Regulations as on the date of this Draft Prospectus.

## GOVERNMENT AND OTHER STAUTORY APPROVALS

In view of the licenses, permissions, approvals, no-objections, certifications, registrations, (collectively “Approvals”) from the Government of India and various statutory, regulatory, governmental authorities listed below, our Company have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business activities (as applicable on date of this Draft Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business. It must be distinctly understood that in granting these Approvals, the Government of India and other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf.

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. For further details in connection with the regulatory and legal framework within which we operate, please refer “Key Industrials Regulations and Policies” on page 72 of this Draft Prospectus.

Following statement sets out the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business.

### (A) Approvals for the Issue

#### Corporate Approvals

1. The Board of Directors has, pursuant to a resolution passed at its meeting held on May 16, 2022 authorised the Issue subject to the approval of the shareholders of the 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 the Company have, pursuant to a resolution dated June 07, 2022 passed in the EGM under Section 62(1)(c) of the Companies Act, 2013 authorised the Issue.

#### In-principle approval from the Stock Exchange

3. The Company has obtained in-principle listing approval from the SME Exchange of the BSE dated [●].

#### Agreements with CDSL and NSDL

4. The Company has entered into an agreement dated [●] with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.
5. Similarly, the Company has also entered into an agreement dated June 21, 2022 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.
6. The Company's International Securities Identification Number (“ISIN”) is INE0MC401013

### (B) Registration under the Companies Act, 1956/2013\*:

Sr. No.	Authority Granting Approval	Approval / Registration No.	Applicable Laws	Nature Of Approvals	Validity
1.	Registrar of Companies, Gujarat, Dadra & Nagar Haveli.	U24100GJ2011PTC066400 vide Certificate of Incorporation dated July 19, 2011	Companies Act, 1956	Certificate of Incorporation	Valid, till Cancelled
2.	Registrar of	U24100GJ2011PLC066400	Companies	Fresh Certificate of	Valid, till



	Companies, ROC – Ahmedabad	vide Certificate of Incorporation dated May 25, 2022	Act, 2013	Incorporation consequent upon conversion from private to public company	Cancelled
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**(C) Registration under various Acts/Rules relating to Income Tax and Goods and Service Tax\*:**

Sr. No.	Authority Granting Approval	Approval/ Registration No.	Applicable Laws	Nature Of Approvals	Validity
1.	Income Tax Department - (PAN)	AADC9404F	Income Tax Act, 1961	Permanent Account Number	Valid, till Cancelled
2.	Income Tax Department - (TAN)	AHMD07437D	Income Tax Act, 1961	Tax Deduction and collection Account Number	Valid, till Cancelled
3.	Central Board of Indirect Taxes & Customs	24AADCD9404F1ZY	The Central Goods And Services Tax Act, 2017.	GST Certificate, Gujarat	Valid, till cancelled

**(D) Registration and Approvals under Statutory and Regulatory Act(s)\*:**

Sr. No.	Authority Granting Approval	Approval/ Registration No.	Applicable Laws	Nature Of Approvals	Validity
1.	Amdavad Municipal Corporation	PEC010781002729	Gujarat State Tax on Profession, Trade, Calling and Employment Act, 1976.	Profession Tax department –EC (Enrollment Certificate)	Valid, till cancelled
2.	Amdavad Municipal Corporation	PRC010781000895	Gujarat State on Profession, Trade, Calling and Employment Act, 1976.	Profession Tax department – Certificate of Registration (RC)	Valid, till cancelled
3.	Ministry of Micro, Small and Medium Enterprises, Government of India	UDYAM-GJ-01-0022880	The Micro, Small And Medium Enterprises Development Act, 2006	Udyam Registration Certificate	Valid, till cancelled
4.	Ministry of Commerce and Industry, Government of India	0815012616	The Foreign trade (Development And Regulation) Act, 1992	Certificate Of Importer-Exporter Code (IEC)	Valid, till cancelled
5.	Ministry of Commerce and Industry	0815012616	The Foreign Trade (Development & Regulation) Act, 1992	Certificate of Importer - Exporter Code (IEC)	Valid till Cancelled

Note: \*All the Approvals/Licenses/Registration are in name of Dipna Pharmachem Private Limited company is taking necessary steps to get the same in the name of Dipna Pharmachem Limited.

**(E) Approvals applied for up gradation but not yet received:**

Sr. No	Description	Authority
1.	Registration Certificates under Bombay Shops and Establishment Act, 1948.	Amdavad Municipal Corporation

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **AUTHORITY FOR THE ISSUE**

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on May 16, 2022 subject to the approval of shareholders of our Company through a special resolution to be passed pursuant to Section 62(1)(c) vis-à-vis of the Companies Act, 2013.

The shareholders of our Company have authorised the Issue by a special resolution passed pursuant to Section 62(1)(c) vis-à-vis of the Companies Act, 2013 at the Extra Ordinary General Meeting of our Company held on June 07, 2022.

We have received In- Principle Approval from BSE SME vide their letter dated [•] to use the name of BSE in the Prospectus for listing of our Equity Shares on SME Platform of BSE. BSE Ltd is the Designated Stock Exchange.

### **PROHIBITION BY SEBI**

Our Company, Promoter, Promoter Group and Directors are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Draft Prospectus.

### **CONFIRMATION**

1. Our Company, Promoter and Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent applicable to each of them as on the date of the Draft Prospectus.
2. Our directors are not in any manner associated with the securities market and no action has been taken by the SEBI against any of the Directors or any entity with which our Directors are associated as promoters or directors in past (5 five) years.

### **DECLARATION AS WILFUL DEFAULTERS & FUGITIVE ECONOMIC OFFENDER**

Neither our Company, our Promoter, our Directors, have been identified as a willful defaulter or a fugitive economic offender by the RBI or other government authorities.

### **ELIGIBILITY FOR THE ISSUE**

Our company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, 2018; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations, 2018.

Our company is eligible for the Issue in accordance with Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up (face value) capital is more than ten crores and upto twenty five crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Platform", in this case being the "BSE SME"). Our Company also complies with eligibility conditions laid by SME Platform of BSE for listing of Equity Shares.

### **We confirm that:**

1. In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, the lead manager shall ensure that the issuer shall file copy of the draft Prospectus/prospectus with SEBI along with Due Diligence certificate including additional confirmations as required at the time of filing the Draft Prospectus/Prospectus to SEBI.
2. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018, this issue has been hundred percent (100%) underwritten and that the Lead Manager to the Issue has underwritten at least 15% of the

Total Issue Size. For further details pertaining to said underwriting please see “General Information” on page no. 31 of this Draft Prospectus.

3. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be unblocked forthwith. If such money is not unblocked within four working days from the date our Company becomes liable to unblock it, then our Company and every officer in default shall, on and from expiry of four days, be liable to unblock such application money with interest as prescribed under the SEBI Regulations, the Companies Act, 2013 and applicable laws.
4. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we shall enter into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of market making please see “General Information” on page no. 31 of this Draft Prospectus.

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.

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on SME Platform of BSE Limited which states as follows:

**1. The issuer should be a Company incorporated Under Companies Act, 2013/1956**

Our Company is incorporated under the Companies Act, 1956.

**2. The post issue paid up capital of the company (face value) shall not be more than ₹ 25 crores.**

The post issue paid up capital (face value) of the Company will be ₹11.97crores, less than ₹25 crores.

**3. Positive Net Worth**

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Net Worth as per Restated Financial Statement	173.86	57.17	54.75

**4. Net Tangible Assets of Rs. 150.00 Lakh**

Our Net Tangible Assets as per the latest audited financial statements i.e as on March 31, 2022 is ₹173.86 lakhs.

**5. Track Record**

**(A) The company should have (combined) a track record of at least 3 years.**

Our Company satisfies the criteria of Track Record

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Net Profit as per Restated Financial Statement	116.69	2.42	5.90

**6. The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the tripartite agreements with the Depositories and the Registrar and Share Transfer Agent.

The Company’s shares bear an ISIN No: INE0MC401013

**7. Company shall mandatorily have a website.**

Our Company has a live and operational website: [www.dipnapharmachem.com](http://www.dipnapharmachem.com).

**Certificate from the applicant company stating the following:**

Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

There is no winding up petition against the company that has been admitted by the Court and accepted by a court or a Liquidator has not been appointed.

No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.

There has been no change in the promoter/s of the Company in preceding one year from the date of filing application to BSE for listing on SME Segment.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE Limited ("BSE SME").

**SEBI DISCLAIMER CLAUSE**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT. THE LEAD MERCHANT BANKER, INTERACTIVE FINANCIAL SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER INTERACTIVE FINANCIAL SERVICES LIMITED HAS FURNISHED TO STOCK EXCHANGE/SEBI A DUE DILIGENCE CERTIFICATE DATED JULY 14, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOUSER REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT OFFER DOCUMENT/OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENT/OFFER DOCUMENT.**

**ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, AHMEDABAD, IN TERMS OF SECTION 26, 30, 32 AND SECTION 33 OF THE COMPANIES ACT, 2013.**

## DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE LIMITED

As required, a copy of this Draft Prospectus has been submitted to BSE Limited. The Disclaimer Clause as intimated by the BSE Limited to us, post scrutiny of this Draft Prospectus will be produced by our Company in the Prospectus.

### **CAUTION- DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER**

The Company, the Directors, and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at instance of the issuer and that anyone placing reliance on any other source of information, including our website: [www.dipnapharmachem.com](http://www.dipnapharmachem.com), [www.ifinservices.com](http://www.ifinservices.com) would be doing so at their own risk.

### **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 the applicable trust law and who are authorized under their constitution to hold and invest in shares, any FII sub –account registered with SEBI which is a foreign corporate or foreign individual, permitted insurance companies and pension funds and to FIIs and Eligible NRIs. This Draft Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Ahmedabad, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT, 1933**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

**Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein,

including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

## **LISTING**

The Equity Shares of our Company are proposed to be listed on SME Platform of BSE. Our Company has obtained in-principle approval from BSE by way of its letter dated [●] for listing of equity shares on SME Platform of BSE Limited.

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform of BSE is not granted by BSE, 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 BSE 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 of Companies Act, 2013”

The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

## **CONSENTS**

The written consents of Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor and Peer Review Auditor, Bankers' to the Company, Legal Advisor to the Issue, the Lead Manager to the Issue, Underwriter, Registrar to the Issue, Market Makers and Banker to Issue and Sponsor Bank to act in their respective capacities have been obtained.

Above consents will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of the Prospectus for registration with the ROC. – **NOTED FOR COMPLIANCE**

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. Bhagat & Co., Peer Review Auditors, of the Company have agreed to provide their written consent to the inclusion of their report, restated financial statements dated July 07, 2022 and M/s. B.S. Jain & Co, Auditor of the company has agreed to provide the statement of Tax Benefits dated June 10, 2022 which may be available to the Company and its shareholders, included in this Prospectus in the form and context in which they appear therein and such consent and reports have not been withdrawn up to the time of delivery of the Prospectus with ROC.

Further, such consents and reports have not been withdrawn up to the time of delivery of this Prospectus. – **NOTED FOR COMPLIANCE**

#### **EXPERT OPINION**

Except for Peer Review Auditors' reports on the restated financial statements issued by M/s. Bhagat & Co., Chartered Accountants and Statement of Tax Benefits issued by M/s. B.S. Jain & Co, Chartered Accountant; we have not obtained any other expert opinions.

#### **PREVIOUS PUBLIC OR RIGHTS ISSUE**

Company has not made any Public or Right issue during last five years.

#### **COMMISSION OR BROKERAGE**

We have not made any public issue in last five years. Hence, no sums have been paid or payable as Commission or Brokerage.

#### **COMMISSION PAYABLE TO SCSBS**

The brokerage and selling commission payable to SCSBs for the ASBA Application Forms procured by them would be at par as payable to brokers for the Application forms procured by them. However, in case, where ASBA Application Form are being procured by Syndicate Members / sub syndicate, then selling commission would be payable to Syndicate Members / sub syndicate and for processing of such ASBA Application Form, SCSBs would be given a prescribe fee of ₹10 per ASBA Application Form processed by them.

#### **CAPITAL ISSUE DURING THE LAST THREE YEARS**

Our Company and Group Companies/Entities have not made any capital issue during the last three years.

#### **PERFORMANCE VIS-À-VIS objects;**

Except as stated in the chapter titled "*Capital Structure*" beginning on page 40 of this Draft Prospectus, we have not made any previous rights and / or public issues during the last 5 years and are an "Unlisted Issuer" in terms of SEBI (ICDR) Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

None of our Group Companies and Promoter Group Companies have their equity shares listed on any stock exchange.

**PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details regarding the price information and track record of the past issue handled by Interactive Financial Services Ltd, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, and the website of Lead Manager at [www.ifinservices.in](http://www.ifinservices.in)

**Disclosure Of Price Information Of Past Issues Handled By Interactive Financial Services Ltd**

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (₹)	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.	Bhatia Colour Chem Limited*(BSE SME)	40.00	80	March 24, 2022	40.00	-36.50% (-0.69%)	-40.56% (-8.79%)	NA
2.	Global Longlife Hospital and Research Ltd(BSE SME)	49.00	140	May 04, 2022	141.10	-40% (+0.27%)	NA	NA
3.	Rachana Infrastructure Ltd (NSE EMERGE)	76.28	135	June 10, 2022	138.00	NA	NA	NA

Sources: Share price data is from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

**Note:**

1. The BSE Sensex is considered as the Benchmark Index
2. Prices on BSE /NSE are considered for all of the above calculations
3. In case 30th/90th/180th day are not completed
4. NIFTY50 has considered as the benchmark index of NSE

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.

**SUMMARY STATEMENT OF DISCLOSURE**

Financial year	Total no. of IPO	Total funds Raised (₹ Cr)	Nos of IPOs trading at discount on 30th Calendar day from listing date			Nos of IPOs trading at premium on 30 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at discount on 180 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at premium on 180 <sup>th</sup> Calendar day from listing date		
			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%
2021-22	1	40.00	NA	1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA



2022-23	2	121.68	NA	1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
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### **Track Record of past issues handled by Interactive Financial Services Limited**

For details regarding track record of the Lead Manager to the Offer as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Lead Manager at: [www.ifinservices.in](http://www.ifinservices.in).

### **STOCK MARKET DATA FOR OUR EQUITY SHARES**

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

### **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

All grievances relating to the Offer may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process and UPI may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Applicants, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount blocked on application and designated branch or the collection centre of the SCSBs or the member of the Syndicate (in Specified Cities) or Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Applicants.

### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

The Company has appointed Registrar to the Issue, to handle the investor grievances in co-ordination with our Company. 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 the Issue to ensure that the investor grievances are settled expeditiously and satisfactorily. The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process and UPI may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, the Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in).

Our Company has constituted a Stakeholders Relationship Committee of the Board vide resolution passed on May 7, 2022. For further details, please refer the chapter titled “*Our Management*” on page no. 81 of Draft Prospectus.

Our Company has also appointed Khushboo Jethaliyaas the Company Secretary and Compliance Officer of our company, for this Issue she may be contacted in case of any pre-issue or post-issue related problems at the following address:

**DipnaPharmachem Limited**

A/211, Siddhi Vinayak Complex,

Near D.A.V. School,

Makarba,

Ahmedabad – 380 055, Gujarat, India

**Tel No:** +91-9898066121

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

**E-mail:** [info@dipnapharmachem.com](mailto:info@dipnapharmachem.com)

## SECTION VIII – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being Allotted pursuant to this Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of the Draft Prospectus, the Prospectus, the Abridged Prospectus, Application Form, any Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the Issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange(s), the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchange(s), the RoC and/or any other authorities while granting its approval for the Offer to the extent applicable.

Please note that, in terms of Regulation 256 of the SEBI ICDR Regulations 2018 read with SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the applicants have to compulsorily apply through the ASBA Process and further in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 (together, the “UPI Circular”) in relation to clarifications on streamlining the process of public issue of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. Currently, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+6 days until March 31, 2020 (“UPI Phase II”). Further SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 has decided to continue with the Phase II of the UPI ASBA till further notice. SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 05, 2022 had revised the UPI Limit from ₹2 lakhs to ₹ 5 Lakhs. Therefore, all Individual Investors applying in Public Issues where the application amount is upto ₹5 Lakhs shall use UPI and shall also provide their UPI ID in the bid-cum-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 shall be subject to the provisions of the Companies Act 2013, our Memorandum and Articles of Association shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the section titled "Main Provisions of the Articles of Association of our Company" beginning on page 176 of this Draft Prospectus.

#### **Authority for the Present Issue**

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on May 16, 2022 and approved by the shareholders of our Company vide a special resolution at the Extra Ordinary General Meeting held on June 07, 2022 pursuant to section 62(1)(c) of the Companies Act.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and

any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and approved by the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to section titled "*Dividend Policy*" and "Main Provisions of Article of Association" beginning on page no 93 and 176 respectively of this Draft Prospectus.

### **Face Value and Issue Price**

The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ 38 per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled "Basis for Issue Price" beginning on page 54 of the Draft Prospectus. At any given point of time there shall be only one (1) denomination for the Equity Shares, subject to applicable law.

### **Compliance with SEBI ICDR Regulations, 2018**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. 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 receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- 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 other 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, 2013, the terms of the SEBI Listing Regulations, 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 to the section titled "Main Provisions of Articles of Association" beginning on page 176 of the Draft Prospectus.

### **Minimum Application Value; Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of 3,000 Equity Shares and the same may be modified by SME Platform of BSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of 3,000 Equity Share subject to a minimum allotment of 3,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

In accordance with Regulation 267(2) 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.

### **Minimum Number of Allottees**

In accordance with Regulation 268 (1) 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 collected shall be refunded within four (4) Working days of closure of Offer. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Selling Shareholder, to the extent applicable and our Company shall be liable to pay interest on the application money in accordance with applicable laws. In case of an undersubscription in the Offer, the Equity Shares proposed for sale by each Selling Shareholder shall be in proportion to the Offered Shares by such Selling Shareholder.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Ahmedabad.

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

**The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Draft Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

### **Nomination Facility to Investor**

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of Joint 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 (3) 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 accordance to Section 72 (4) of the Companies Act, 2013, 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/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 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 is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### **Period of Operation of Subscription List of Public Issue**

ISSUE OPENS ON [•]  
ISSUE CLOSES ON [•]

- *In terms of Regulation 265 of ICDR Regulations, the issue shall be open after at least three (3) working days from the date of filing the Prospectus with the Registrar of Companies.*
- *In terms of Regulation 266(3) of ICDR Regulations, in case of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Issue Period disclosed in the Prospectus, for a minimum period of three (3) working days, subject to the provisions of sub-regulation 266(1).*

In terms of the UPI Circulars, in relation to the Offer, the Lead Manager will submit reports of compliance with T+6 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding Four (4) Working Days from the Offer Closing Date, the Issuer shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding Four (4) Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

In case of

- (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges Applying platform until the date on which the amounts are unblocked.
- (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock;
- (iii) any blocking of amounts more than the Application Amount, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock;
- (iv) any delay in unblocking of non-allotted/ partially allotted Application, exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue LM shall be liable for compensating the Applicant at a uniform rate of ₹100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any further notification from the SEBI after filing of this Draft Prospectus may result in changes in the timelines.

#### **Submission of Application Forms:**

<b>Issue period (except the Issue Closing Date)</b>	
Submission and Revision of Application Form	Only between 10.00 a.m. and 5.00 p.m. IST
<b>Issue Closing Date</b>	
Submission and Revision of Application Form	Only between 10.00 a.m. and 3.00 p.m. IST

*On the Issue Closing Date, for uploading the Application Forms:*

1. 4.00 p.m. IST in case of application by QIBs and Non – Institutional Investors and
2. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Retail Individual Investors which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by BRLMs to the Stock Exchanges.

Due to limitation of time available for uploading the application forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 03.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the LM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

**It is clarified that applications not uploaded on the electronic bidding system or in respect of which the full application Amount is not blocked by SCSBs or under the UPI Mechanism, as the case may be, would be rejected.**

In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the (Issue) period disclosed in the prospectus, for a minimum period of three (3) working days, subject to the Issue Period not exceeding ten (10) working days.

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

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from SME Platform of BSE may be taken as the final data for the purpose of Allotment.

#### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten as per Regulation 260(1) of SEBI ICDR Regulation.

If the issuer does not receive the subscription of hundred per cent (100%) of the offer through Draft Prospectus on the date of closure of the issue including devolvement of underwriters, if any, or if the subscription level falls below hundred per cent (100%) after the closure of issue on account of withdrawal of applications, or after technical rejections, or if the listing or trading permission is not obtained from the stock exchange for the securities so offered under the Draft Prospectus, the issuer shall forthwith refund the entire subscription amount received. If there is a

delay beyond Four (4) Working Days after the issuer becomes liable to pay the amount, the issuer and every director of the issuer who are officers in default, shall pay interest at the rate of fifteen per cent per annum (15% p.a).

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.

### **Arrangements for Disposal of Odd Lots**

The trading of the equity shares will happen in the minimum contract size of 3,000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE Limited.

### **Withdrawal of the Issue**

Our Company in consultation with the Lead Manager, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager through, the Registrar to the Issue, shall notify the SCSBs or the Sponsor Bank to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed. If the Issue is withdrawn after the designated Date, amounts that have been credited to the public Issue Account shall be transferred to the Refund Account.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is registered with the RoC. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue, our Company shall file a fresh Draft Prospectus.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the chapter "Capital Structure" beginning on page 40 of the Draft Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled "Main Provisions of the Articles of Association" beginning on page 176 of the Draft Prospectus.

### **Migration to Main Board**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- a) If the Paid-up Capital of our 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 favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), our Company shall apply to BSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

**OR**

- b) If the Paid-up Capital of our company is more than ₹10 crores and the market capitalization of our equity is more than ₹ 25 crores and our company have been listed on SME Platform for at least two years, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal



amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares offered through this issue are proposed to be listed on the SME Platform of BSE Limited (SME Exchange), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Platform of BSE Limited for a minimum period of three years from the date of listing of shares offered through this Draft Prospectus.

For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please see “General Information” beginning on page 31 of the Draft Prospectus.

### **New Financial Instruments**

As on the date of this Draft Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue. Further, our Company is not issuing any new financial instruments through this Issue.

### **Allotment of Equity Shares in Dematerialized Form**

In terms of Section 29 of the Companies Act 2013, the Equity Shares shall be Allotted only in dematerialised form. As per the existing SEBI ICDR Regulations, 2018 the trading of the Equity Shares shall only be in dematerialised form for all investors.

In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing the Draft Prospectus:

- Tripartite agreement dated [•] among CDSL, our Company and the Registrar to the Issue; and
- Tripartite agreement dated June 21, 2022 among NSDL, our Company and the Registrar to the Issue

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. 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 Exchanges. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

### **Application by Eligible NRIs, FIIs registered with SEBI, VCFs registered with SEBI and QFIs**

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

### **As per the extant policy 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, FIIs 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.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue face value capital is more than ten crore rupees and upto twenty five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME platform of BSE Limited "BSE SME"). For further details regarding the salient features and terms of such an issue please refer chapter titled "Terms of the Issue" and "Issue Procedure" on page 136 and 145 respectively of this Draft Prospectus.

Public issue of 40,02,000 equity shares of face value of ₹ 10.00/- each for cash at a price of ₹ 38.00/- per equity share including a share premium of ₹ 28.00/- per equity share (the "issue price") aggregating to ₹ 1520.76 lakhs ("the issue") by our company.

Particulars	Net Issue to Public	Market Maker reservation portion
Number of Equity Shares	37,98,000* Equity Shares	2,04,000 Equity Shares
Percentage of Issue Size available for allocation	94.90% of the Issue Size.  31.73% of the Post Issue Paid up capital	5.10 % of the Issue Size  1.70 % of the Post Issue Paid up capital
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of 3,000 Equity Shares and Further allotment in multiples of 3,000 Equity Shares each. For further details, please refer to the section titled "Issue Procedure" on page 145 of this Draft Prospectus.	Firm Allotment
Mode of Application	Retail Individual Investors may apply through UPI Payment Mechanism. All other applicants and Retail Individual Investors (whose bank do not provide UPI Payment facility) shall apply through ASBA Only.	Through ASBA mode Only.
Minimum Application Size	<b><u>For OIB and NII:</u></b> Such number of Equity Shares in multiples of 3,000 Equity Shares such that the Application Value exceeds ₹ 2,00,000 <b><u>For Retail Individuals:</u></b> Such number of equity shares where application size is of at least 3,000 Equity Shares.	2,04,000 Equity Shares
Maximum Bid	<b><u>For OIB and NII:</u></b> Such number of Equity Shares in multiples of 3,000 Equity Shares such that the Application Size does not exceed 37,98,000 Equity Shares subject to adhere under the relevant laws and regulations as applicable. <b><u>For Retail Individuals:</u></b> Such number of Equity Shares so that the Application Value does not exceed ₹ 2,00,000	2,04,000 Equity Shares
Mode of Allotment	Compulsorily in dematerialized mode	Compulsorily in dematerialized mode
Trading Lot	3,000 Equity Shares	3,000 Equity Shares, However the Market Maker may accept

Particulars	Net Issue to Public	Market Maker reservation portion
		odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Terms of payment	In case of ASBA, the entire application amount shall be blocked at the time of submission of Application Form to the SCSBs and in case of UPI as an alternate mechanism, application amount shall be blocked at the confirmation of mandate collection request by the Applicant.	

*\*50 % of the shares offered in the Net Issue to Public portion are reserved for applications whose value is below ₹2,00,000 and the balance 50% of the shares are available for applications whose value is above ₹2,00,000.*

**Note:**

- 1. In case of joint application, the Application Form should contain only the name of First Applicant whose name should also appear as the first holder of 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 joint holders.*
- 2. Applicants will be required to confirm and will be deemed to have represented to our Company, the LM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.*
- 3. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.*

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018. For further details, please refer chapter titled “Issue Procedure” beginning on page 145 of this Draft Prospectus.

## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issue, prepared and issued in accordance with the SEBI circular no CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI and updated pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and updated pursuant to SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 (the “General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of Stock Exchange, the Company and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment Instructions for ASBA Applicants; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able for any amendment, modification or change in applicable law, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications are submitted in accordance with the applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus.

Pursuant to the SEBI ICDR Regulations, 2018 the ASBA process is mandatory for all investors excluding Anchor Investors and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Application forms. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 (“UPI Circular”) in addition to ASBA Process has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”), consequent reduction in timelines for listing in a phased manner. Further, SEBI vide its circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 has notified Phase II for detail implementation refers below “Phased implementation of Unified Payments Interface”. Applicants applying through the ASBA process or UPI Mechanism should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs hence applicant shall ensure that ASBA Bank Account has sufficient Balance.

ASBA Applicants are required to submit ASBA Applications to the selected branches / offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by Stock Exchange to act as intermediaries for submitting Application Forms are provided on the website of the Stock Exchange. For details on their designated branches for submitting Application Forms, please refer the above-mentioned Stock Exchange website.

### **Phased implementation of Unified Payments Interface**

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RII had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public Issue closure to listing continued to be six working days.

**Phase II:** This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public Issue closure to listing would continue to be six Working Days during this phase

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public Issue closure to listing is proposed to be reduced to three working days.

Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all individual Investors in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹ 500,000 shall use the UPI Mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Manager

### **Fixed Price Issue Procedure**

The offer is being made under Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 through a Fixed Price Process. Wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

Subject to the valid Applications being received at 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, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the LM and the Stock Exchange are required to submit their Applications to the Application Collecting Intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or 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.

In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds. 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.

**Investors should note that Equity Shares will be allotted to successful Applicants in dematerialized form only. The Equity Shares on Allotment shall be traded only in the dematerialize segment of the Stock Exchange, as mandated by SEBI. Applicants will not have the option of getting allotment of the Equity Shares in physical form.** However, the Investors may get the Equity Shares rematerialized subsequent to the allotment.

#### **Availability of Draft Prospectus/ Prospectus and Application Forms**

Copies of the Application Form and the Draft Prospectus / Prospectus will be available at the offices of the LM, the Designated Intermediaries at Bidding Centers, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchange(s), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Issue Opening Date.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Prospectus / Prospectus. All the Applicants (other than Anchor Investor and Retail Individual Investor using UPI Payment Mechanism) shall mandatorily participate in the Issue only through the ASBA process for application. ASBA applicants must provide bank account details and authorization to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

For RIIs using UPI mechanism, the Stock Exchanges 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 RIIs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, 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 application entered in the Stock Exchanges bidding platform, and the liability to compensate RIIs(using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the Banker 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 an Issue. The Lead Manager shall also be required to obtain the audit trail from the Sponsor Banks and the Banker to the Issue for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022.

ASBA Applicants shall ensure that the applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centers only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

<b>Category</b>	<b>Colour of Application Form</b>
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA)**	White*
Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA)**	Blue*

\*Excluding electronic Application Form.

\*\*Application Forms will also be available on the website of the BSE ([www.bseindia.com](http://www.bseindia.com)).

Same Application Form applies to all ASBA Applicants/ Retail Individual Investors applying through UPI mechanism, irrespective of whether they are submitted to the SCSBs, to the Registered Brokers, to Registrars to an Issue and Share Transfer Agents, Depository Participants or to the Syndicate (in Specified Cities).

In case of ASBA Forms, Designated Intermediaries shall upload the relevant Application details in the electronic bidding system of the Stock Exchanges. Subsequently, for ASBA Forms (other than RIIs using UPI mechanism) Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a RIIs using the UPI mechanism) to the respective SCSBs, where the Applicant has a bank account and shall not submit it to any Non-SCSB bank or any Escrow Bank. For RIIs using UPI mechanism, the Stock Exchanges shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds.

### Submission and Acceptance of Application Form

Pursuant to SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015, an Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called “Designated Intermediaries”).

Sr No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (“broker”)
4.	A depository participant (“DP”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	Registrar to an issue and share transfer agent (“RTA”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid 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.

Designated Intermediaries shall submit Application Forms to SCSBs only

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchanges(s) and may by blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For Applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). 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 Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant bid details, including UPI ID, in the electronic bidding system of stock exchange(s). Stock Exchange shall share bid details including the UPI ID with Sponsor Bank on a continuous basis, to enable Sponsor

	Bank to initiate mandate request on investors for blocking of funds. Sponsor Bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account
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Stock exchange(s) shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

### Who can apply?

In addition to the category of Applicants set forth under General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non-Institutional Investors (NIIs) category;
- Mutual Funds registered with SEBI;
- VCFs registered with SEBI;
- FVCIs registered with SEBI;
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- Insurance companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
- 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;
- Nominated Investor and Market Maker
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares.
- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and polices applicable to them.

### Applications not to be made by:

1. Minors (except under guardianship)
2. Partnership firms or their nominees
3. Overseas Corporate Bodies

**The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Draft Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulations S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**



**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

#### **Participation by associates/affiliates of Lead Manager**

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Category where the allotment is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the LM, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

#### **Option to Subscribe to the Issue**

1. Our Company shall allot the specified securities in dematerialised form only. Investors opting for allotment in dematerialised form may get the specified securities rematerialised subsequent to allotment.
2. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
3. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

#### **Application by HUF**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

#### **Application by Mutual Funds**

Application 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 (1) 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.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be attached with the Application Form. Failing this, our Company reserves the right to reject their Application in whole or in part, in either case, without assigning any reason thereof.

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights

#### **Application by Indian Public including eligible NRIs applying on Non-Repatriation**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a Company), An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

### **Application by Eligible NRIs/FII's on Repatriation Basis**

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”) ASBA 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 a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Pursuant to the provisions of the FEMA regulations, investments by NRIs under the Portfolio Investment Scheme (“PIS”) is subject to certain limits, i.e., 10.00% of the paid-up equity share capital of the company. Such limit for NRI investment under the PIS route can be increased by passing a board resolution, followed by a special resolution by the shareholders, subject to prior intimation to the RBI. Our Company has not passed any resolution to increase this limit and hence investments by NRIs under the PIS will be subject to a limit of 10% of the paid-up equity capital of the Company.

### **Application by FPIs**

In terms of the FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 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 upto the sectoral cap by way of a resolution passed by our Board followed by a special resolution passed by the shareholders of our Company and subject to prior intimation to the RBI.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

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 21 of the FPI Regulations, an FPI, by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the 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 recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. In case of Applications made by FPIs, a verified true copy of the certificate of registration issued by the designated Depository Participant under the FPI Regulations is required to be attached along with the Application form, failing which our Company reserves the right to reject the Application without assigning any reasons thereof.

### **Application by SEBI registered VCFs, AIFs and FVCIs**

SEBI VCF Regulations and SEBI FVCI Regulations inter alia prescribe the investment restrictions on the VCFs and FVCIs registered with SEBI. Further, SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one (1) 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, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering.

Category I and II AIFs cannot invest more than 25% of their corpus in one (1) Investee Company. A category III AIF cannot invest more than 10% of their investible funds in one (1) Investee Company. A venture capital fund registered as a category I AIF, as defined in SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> 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 SEBI AIF Regulations shall continue to be regulated by SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of SEBI AIF Regulations.

Further, according to SEBI ICDR Regulations, the shareholding of VCFs and category I AIFs or FVCI held in a company prior to making an initial public offering would be exempt from lock-in requirements provided that such equity shares held are locked in for a period of at least one (1) year from the date of purchase by such VCF or category I AIFs or FVCI.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the LM 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.

#### **Application by provident funds/ pension funds**

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application, without assigning any reason thereof.

#### **Application 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 their Application without assigning any reason thereof.

#### **Application by Banking Companies**

In case of Application made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the 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 by a banking company, without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, 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 aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking

company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

### **Application by Insurance Companies**

In case of Application 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 their Application without assigning any reason thereof.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time including the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“IRDA Investment Regulations”).

### **Application by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of 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.

### **Application by Systemically Important Non-Banking Financial Companies**

In case of Application made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

### **Application under Power of Attorney**

In case of Application made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, FPIs, Mutual Funds, Eligible QFIs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with a minimum corpus of ₹ 2,500 Lakhs and pension funds with a minimum corpus of ₹ 2,500 Lakhs (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject their Application in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- With respect to Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
- 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 along with the Application Form.
- With respect to Applications made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form.
- With respect to 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.

- 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 and the Lead Manager may deem fit.

The 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 on the refund order 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

### **Application by OCBs**

In accordance with RBI regulations, OCBs cannot participate in this Issue.

### **Maximum and Minimum Application Size**

#### **1. For Retail Individual Applicants**

The Application must be for a minimum of 3,000 Equity Shares and in multiples of 3,000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed ₹ 2,00,000.

#### **2. For Other than Retail Individual Investors (Non-Institutional Investors and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of 1,000 Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant and Non-Institutional Investor cannot withdraw its Application after the Issue Closing Date and is required to pay 100% Bid Amount upon submission of Application.

In case of revision in Applications, 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.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.**

**The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations**

### **ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) 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 the 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.**

Lists of banks that have been notified by SEBI to act as SCSB (Self-Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

## **ASBA Process**

Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (“ASBA Account”) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. 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 bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

**APPLICATION FORM SHALL BEAR THE STAMP OF THE SYNDICATE MEMBER /SCSBS /REGISTRAR AND SHARE TRANSFER AGENTS /DEPOSITORY PARTICIPANTS /STOCK BROKERS AND IF NOT, THE SAME SHALL BE REJECTED.**

### **Who can apply?**

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.

### **Mode of Payment**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue

and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

### **Terms of payment**

The entire Issue price of ₹38 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs. The Applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

### **Payment Mechanism**

The Applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the bid Amount (issue price) in the bank account specified in the Application Form. The SCSB shall keep the bid Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the bid Amount. However, Non-Retail Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bid by the ASBA Bidder, as the case may be.

### **PROCEDURE FOR UNIFIED PAYMENT INTERFACE (UPI)**

**In accordance to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, to streamline the process of public issue of Equity Shares and convertibles, Phase II shall become effective from July 01, 2019, thereafter for applications by Retail Individual Investors through intermediaries, where the existing process of investor submitting application form with any intermediaries along with bank account details and movement of such application forms from intermediaries to self-certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued. For such applications only the UPI mechanism would be permissible mode.**

#### **Who can apply through UPI Mode:**

Only Retail Individual Investors are allowed to use UPI for the payment in public issues. Qualified Institutional Buyers and High-Net worth Investors shall continue to apply as per the existing process.

#### **Process**

**Applications through UPI in IPOs (Public Issue) can be made only through the SCSBs/mobile applications whose name appears on the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in).**

### **Blocking of Funds:**

- a) Investors shall create UPI ID
- b) Investors shall submit their IPO applications through intermediaries and the investors shall enter UPI ID in the application form
- c) Thereafter, intermediary shall upload the bid details and UPI ID in the electronic bidding system of the Stock Exchange
- d) Stock Exchange shall validate the bid details on the real time basis with depository's records and shall bring the inconsistencies to the notice of intermediaries for rectification and re-submission
- e) Stock Exchange shall share the details including UPI ID with Sponsor Bank, to enable the Sponsor Bank to initiate the request for the blocking of funds
- f) Thereafter the investor shall receive notification and shall confirm the request by entering valid UPI PIN and upon such acceptance of request, funds would get blocked and intimation shall be given to the investor regarding blocking of funds

### **Unblocking of Funds:**

- a) After the issue close day, the RTA on the basis of bidding and blocking received from stock exchange undertake a reconciliation and shall prepare Basis of Allotment.
- b) Upon approval of such basis, instructions would be sent to the Sponsor Bank to initiate process for credit of funds in the public issue escrow account and unblocking of excess funds
- c) Based on authorization given by the investor using UPI PIN at the time of blocking of funds, equivalent to the allotment, would be debited from investors account and excess funds, if any, would be unblocked.

**Further, RIIs would continue to have an option to modify or withdraw the bid till the closure of the issue period. For each such modification of application, RIIs shall submit a revised application and shall receive a mandate request from the Sponsor Bank to be validated as per the process indicated above. Hence, applications made through UPI ID for payment the same shall be revised by using UPI ID only.**

### **Rejection grounds under UPI Payment Mechanism**

An investor making application using any of channels under UPI Payments Mechanism, shall use only his/ her own bank account or only his/ her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account

### **List of Banks providing UPI facility**

An investors shall ensure that when applying in the IPO using UPI facility, the name of his Bank shall appear in the list of SCSBs as displayed on the SEBI website.

A list of SCSBs and mobile application which are live for applying in public issues using UPI mechanism is provided on the SEBI Website at the following path:

Home >> Intermediaries/Market Infrastructure Institutions >> Recognised Intermediaries >> Self Certified Syndicate Banks eligible as Issuer Banks for UPI

Investors whose Bank is not live on UPI as on the date of the aforesaid circular, may use the other alternate channels available to them viz. submission of application form with SCSBs or using the facility of linked online trading, demat and bank account (Channel I or II at para 5.1 SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018.

### **Unblocking of ASBA Account**



On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

### **Electronic Registration of Applications**

1. The Designated Intermediary will register the Applications using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary or (iv) Applications accepted and uploaded without blocking funds.
2. The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary and (iv) Applications accepted and uploaded without blocking funds. It shall be presumed that for Applications uploaded by the Designated Intermediary, the full Application Amount has been blocked.
3. In case of apparent data entry error either by the Designated Intermediary in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s).
4. The Designated Intermediary will undertake modification of selected fields in the Application details already uploaded within before 1.00 p.m. of the next Working Day from the Issue Closing Date.
5. The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Designated Intermediary and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Designated Intermediary can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities on a regular basis. On the Issue Closing Date, the Designated Intermediary shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Lead Manager on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.
6. At the time of registering each Application submitted by an Applicant, Designated Intermediary shall enter the following details of the investor in the on-line system, as applicable:
  1. Name of the Applicant;
  2. IPO Name;
  3. Application Form number;
  4. Investor Category;
  5. PAN (of First Applicant, if more than one Applicant);
  6. DP ID of the demat account of the Applicant;
  7. Client Identification Number of the demat account of the Applicant;
  8. UPI ID (RIIs applying through UPI Mechanism)
  9. Numbers of Equity Shares Applied for;
  10. Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  11. Bank account number
  12. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.
7. 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 registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.

8. Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.
9. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.
10. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
11. Only Applications that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Designated Intermediary will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchanges and will validate the electronic Application details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such Applications are liable to be rejected.

### **Withdrawal of Applications**

RIIs can withdraw their applications until Issue Closing Date. In case a RIIs wishes to withdraw the applications during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB or Sponsor Bank in the ASBA Account.

The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### **Signing of Underwriting Agreement**

The issue is 100% Underwritten. For further details please refer to Section titled "General Information" on page no. 31 of this Draft Prospectus.

### **Filing of the Offer Document with the RoC**

For filing details, please refer Chapter titled "General Information" beginning on page 31 of this Draft Prospectus.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, the Company shall, after filing 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 where registered office of the Company is situated.

### **Price Discovery & Allocation of Equity shares**

- a) The Issue is being made through the Fixed Price Process where in up to Equity Shares shall be reserved for Market Maker. Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid Application being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non-Retail Applicants.

- b) 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.
- c) 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.
- d) In terms of SEBI Regulations, Non-Retail Investors shall not be allowed to either withdraw or lower the size of their applications at any stage.
- e) Allotment status details shall be available on the website of the Registrar to the Issue.

### **Issuance of Allotment Advice**

Upon approval of the Basis of Allotment by the Designated stock exchange, the Registrar shall upload on its website. On the basis of approved basis of allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue.

1. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.

### **2. Issuer will that:**

- (i) the allotment of the equity shares; and
- (ii) initiate corporate action for credit of shares to the successful applicant's 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.

3. The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

### **Issuance of Confirmation Allocation Note ("CAN")**

- a) A physical book is prepared by the Registrar on the basis of the Application Forms received from Investors. Based on the physical book and at the discretion of the Company in consultation with the LM, selected Investors will be sent a CAN and if required, a revised CAN.
- b) In the event that the Offer Price is higher than the Investor Allocation Price: Investors will be sent a revised CAN within 1 (one) day of the Pricing Date indicating the number of Equity Shares allocated to such Investor and the pay-in date for payment of the balance amount. Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Investors.
- c) In the event the Offer Price is lower than the Investor Allocation Price: Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

### **Designated Date**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

### **General Instructions**

Applicants are requested to note the additional instructions provided below.

**Do's:**

1. Check if you are eligible to apply as per the terms of the Draft Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Read all the instructions carefully and complete the Application Form;
3. Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
4. Ensure that your Application Form, bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Collection Centre within the prescribed time, except in case of electronic forms. Retail Individual Investors using UPI mechanism, may submit their ASBA forms with Designated Intermediary and ensure that it contains the stamp of such Designated Intermediary;
5. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
6. If the first applicant is not the ASBA account holder (or the UPI- linked bank account holder as the case may be), ensure that the Application Form is signed by the ASBA account holder (or the UPI- linked bank account holder as the case may be). Ensure that you have mentioned the correct bank account number and UPI ID in the Application Form;
7. All Applicants (other than Anchor Investors and RII using UPI Mechanism) should apply through the ASBA process only. RII not using UPI mechanism, should submit their application form directly with SCSB's and not with any designated intermediary.
8. With respect to Applications by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Application;
9. Ensure that you request for and receive a stamped acknowledgement of your Application;
10. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
11. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process. Retail Individual Investors using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment, in a timely manner
12. Submit revised Applications to the same Designated Intermediary, as applicable, through whom the original Application was placed and obtain a revised TRS;
13. Except for Applications (i) on behalf of the central or state governments and the officials appointed by the courts, who, in terms of SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Applications by persons resident in the state of Sikkim, who, in terms of SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the central or the state government and officials appointed by the courts and for Applicants residing in the state of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same. All other applications in which PAN is not mentioned will be rejected.
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that thumb impressions and signatures other than in the languages specified in the eighth schedule to the Constitution of India are attested by a magistrate or a notary public or a special executive magistrate under official seal;
16. Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint 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;
17. Ensure that the category and sub-category under which the Application is being submitted is clearly specified in the Application Form;
18. Ensure that in case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;

19. If you are resident outside India, ensure that Applications by you are in compliance with applicable foreign and Indian laws;
20. Applicants should note that in case the DP ID, the Client ID, UPI ID (where applicable) and the PAN mentioned in the Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, match with the DP ID, Client ID (where applicable) and PAN available in the Depository database otherwise liable to be rejected; Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
21. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
22. Ensure that you have correctly signed the authorisation/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 equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
23. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. Further, Retail Individual Investors using the UPI Mechanism must also mention their UPI ID and shall use only his/her own bank account which is linked to his/her UPI ID;
24. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
25. Retail Individual Investors Bidding using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. Retail Individual Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

**Don'ts:**

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not pay the Application Amount in cash, cheque, by money order or by postal order or by stock invest or any mode other than stated herein;
4. Do not send Application / ASBA Forms by post, instead submit the same to the Designated Intermediary only;
5. Do not submit the Application Forms with the Banker(s) to the Issue (assuming that such bank is not a SCSB), our Company, the BRLM or the Registrar to the Issue (assuming that the Registrar to the Issue is not one of the RTAs) or any non-SCSB bank;
6. Do not apply on an Application Form that does not have the stamp of the Designated Intermediary;
7. If you are a Retail Individual Applicant, do not apply for an exceeding ₹ 200,000;
8. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
9. Do not submit the General Index Register number instead of the PAN;
10. As an ASBA Applicant, do not submit the Application without ensuring that funds equivalent to the entire Application Amount are available to be blocked in the relevant ASBA Account and as in the case of Retail Individual Investors using the UPI Mechanism shall ensure that funds equivalent to the entire application amount are available in the UPI linked bank account where funds for making the bids are available.
11. As an ASBA Applicant, do not instruct your respective banks to release the funds blocked in the ASBA Account;
12. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

13. Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
14. If you are a QIB, do not submit your Application after 3.00 pm on the Issue Closing Date for QIBs;
15. If you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your Application after 3.00 pm on the Issue Closing Date;
16. Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
17. Do not submit an Application if you are not competent to contract under the Indian Contract Act, 1872, (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);
18. If you are a QIB or a Non-Institutional Applicant, do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage;
19. Do not submit more than five (5) ASBA Forms per ASBA Account;
20. Do not submit ASBA Forms at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres; and
21. Do not submit ASBA Forms to a Designated Intermediary at a Collection Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one (1) branch in the relevant Collection Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>). The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.
22. Do not submit a Bid cum Application Form with third party UPI ID or using a third-party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism)

**The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

#### **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. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall 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 Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of Stock Exchange.

#### **Applicant’s Depository Account and Bank Details**

**Please note that, providing bank account details 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, 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 Bank Account details would be used for giving refunds to the Applicants. 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 the Applicants’ sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. 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.

### **Payment by Stock Invest**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

### **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). 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 its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple Applications is given below:

- All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
- For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without the PAN 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.

**Our Company/ Registrar to the Issue, Lead Manager can, however, accept the Application(s) which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.**

### **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds. It should be noted that RIIs using third party bank account for the payment in the public issue using UPI facility or using third party UPI ID linked bank account are liable to be rejected.

### **Grounds for Technical Rejections**

Applicants are requested to note that Application may be rejected on the following additional technical grounds.

- a. Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- b. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- c. Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- d. PAN not mentioned in the Application Form;
- e. GIR number furnished instead of PAN;
- f. Applications for lower number of Equity Shares than specified for that category of investors;
- g. Applications at a price other than the Fixed Price of the Issue;
- h. Applications for number of Equity Shares which are not in multiples as stated in the chapter titled "Issue Structure";
- i. Category not ticked;
- j. Multiple Applications as defined in the Draft Prospectus;
- k. In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- l. Applications accompanied by Stock invest/ money order/ postal order/ cash;
- m. Signature of sole Applicant is missing;
- n. Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Draft Prospectus and as per the instructions in the Draft Prospectus and the Application Forms;
- o. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- p. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;



- q. Applications by OCBs;
- r. Applications by US persons other than in reliance on Regulations or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- s. Applications not duly signed;
- t. Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- u. Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- v. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- w. Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- x. Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of ₹2,00,000, received after 3.00 pm on the Issue Closing Date;
- y. Applications not containing the details of Bank Account and/or Depositories Account.
- z. Applications under the UPI Mechanism submitted by Retail Individual Investors using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
- aa. Application submitted by Retail Individual Investors using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI.

### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) a tripartite agreement dated June 21, 2022 with NSDL, our Company and Registrar to the Issue;
- b) a tripartite agreement dated [●] with CDSL, our Company and Registrar to the Issue;

The Company’s shares bear an ISIN No: INE0MC401013

- a) An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
- b) The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant’s Identification number) appearing in the Application Form or Revision Form.
- c) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant’s beneficiary account (with the Depository Participant).
- d) Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e) If incomplete or incorrect details are given under the heading ‘Applicants Depository Account Details’ in the Application Form or Revision Form, it is liable to be rejected.
- f) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.
- g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- h) The trading of the Equity Shares of our Company would be only in dematerialized form.

### **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 Banker to the Issue where the Application was submitted 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.**

<p><b>Dipna Pharmachem Limited</b>  <b>Khushboo Jethaliya</b>  <b>Company Secretary and Compliance Officer</b>  <b>Address:</b> A/211, Siddhi Vinayak Complex, Near D.A.V. School, Makarba, Ahmedabad – 380 055, Gujarat, India  <b>Tel No:</b> +91-9898066121  <b>Website:</b> <a href="http://www.dipnapharmachem.com">www.dipnapharmachem.com</a>  <b>E-mail:</b> <a href="mailto:info@dipnapharmachem.com">info@dipnapharmachem.com</a></p>	<p><b>Bigshare Services Private Limited</b>  <b>Address:</b> Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400093  <b>Tel No:</b> +91 22-62638200  <b>Fax No</b> +91 22-62638299  <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>  <b>E-Mail:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a>  <b>Investor Grievance Email:</b> investor@bigshareonline.com  <b>Contact Person:</b> Mr. Aniket Chindarkar  <b>SEBI Registration No:</b> INR000001385</p>
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### **Disposal of Applications**

With respect to Investors, our Company shall ensure dispatch of Allotment Advice, refund orders (except for applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account of Depository Participants of the Applicants and submit the documents pertaining to the Allocation to the Stock Exchange(s) on the Investor Bidding Date. In case of Applicants who receive refunds through NECS, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 4 Working Days from the Bid/Offer Closing Date.

### **Impersonation**

Attention of the Applicant 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”.

Section 447 of Companies Act, 2013 deals with ‘Fraud’ and prescribed a punishment of “imprisonment for a term which shall not be less than 6 (six) months but which may extend to 10 (ten) years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to 3 (three) times the amount involved in the fraud”.

### **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 Manager 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.

## **AT PAR FACILITY**

Letters of Allotment or refund orders or instructions to Self-Certified Syndicate Banks in Application Supported by Blocked Amount process. The issuer shall ensure that “at par” facility is provided for encashment of refund orders for applications other than Application Supported by Blocked Amount process.

### **Grounds for Refund**

#### **Non-Receipt of Listing Permission**

An Issuer makes an Application to the Stock Exchange for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Draft Prospectus. The designated Stock Exchange may be as disclosed in the Draft Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by the Stock Exchange, the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Draft Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in this Draft Prospectus, the Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary Applicants.

If such money is not repaid within four days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of forth days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as disclosed in the Draft Prospectus.

#### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten as per Regulation 260(1) of SEBI ICDR Regulation. As per section 39 of the Companies Act, 2013, if the "Stated Minimum Amount" has not been subscribed and the sum payable on application money has to be returned within such period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement 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 become liable to pay the amount, the Issuer shall pay interest at the rate of fifteen per cent per annum (15% p.a.).

#### **Minimum Number of Allottees**

The Issuer may ensure that the number of Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

#### **Mode of Refunds**

- a) **In case of ASBA Bids:** Within 6 (six) Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid, for any excess amount blocked on Application, for any ASBA Bids withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer.
- b) In the case of Applicant 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 Investors:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer 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 Offer, 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 Applicants' 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 Applicants 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 Bid cum Application Form, the Registrar to the Offer will obtain from the Depository the demographic details including address, Applicants 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 BRLM or the Registrar to the Offer or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same; and
- (v) Please note that refunds, on account of our Company not receiving the minimum subscription of 90% of the Offer, shall be credited only to the bank account from which the Applicant 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. Applicants may refer to Draft 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.

### **Completion of Formalities for listing & Commencement of Trading**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit of Equity Shares to the beneficiary account with DPs, and dispatch the allotment Advise within 6 Working Days of the Issue Closing Date.

### **BASIS OF ALLOTMENT**

Allotment will be made in consultation with Stock Exchange (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 3,000 equity shares the allotment will be made as follows:
  - a. Each successful applicant shall be allotted 3,000 equity shares; and
  - b. The successful applicants out of the total applicants for that category shall be determined by the draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 3,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 3,000 equity shares subject to a minimum allotment of 3,000 equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 3,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in the Draft Prospectus.
6. Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
  - a. A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
  - b. The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
  - c. The unsubscribed portion of the net to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

If the retail individual investor is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled 'Basis of Allotment' of this Draft Prospectus.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the Stock Exchange.

#### **Basis of Allotment in the event of under subscription**

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size which shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

**There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Undertaking by our Company**

Our Company undertakes the following:

1. That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. 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 6 (Six) working days of closure of the Issue;
3. that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
4. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non-resident Indians shall be completed within specified time; and
5. that no further issue of Equity Shares shall be made till the Equity Shares offered through the Draft Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.
6. that Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
7. That if our Company does not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice which will be issued by our Company within two (2) days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
8. The Equity Shares proposed to be issued by it in the Issue shall be allotted and credited to the successful applicants within the specified time in accordance with the instruction of the Registrar to the Issue;
9. If the Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within fifteen (15) days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants at the rate of 15% per annum for the delayed period

10. That if our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh Draft Prospectus with Stock Exchange/ RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
11. That the Promoters' contribution in full, if required, shall be brought in advance before the Issue opens for subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on Applicants in accordance with applicable provisions under SEBI ICDR Regulations;
12. That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
13. That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of Allotment; and
14. That it shall comply with such disclosure and account norms specified by SEBI from time to time

#### **Utilization of Issue Proceeds**

Our Board certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act; 2013.
- 2) Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet 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 head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to section 177 of the Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“**FEMA**”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, 1991 unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“**RBI**”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“**FDI**”) through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2017 (“**FDI Policy 2017**”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI policy issued by the DIPP that were in force. The Government of India proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

FDI for items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Foreign Investment is allowed up to 100% under automatic route in our Company subject to certain conditions. For further details, please see the chapter titled “*Key Industry Regulations and Policies*” beginning on page 72 of this Draft Prospectus.

RBI also issues Master Directions - Foreign Investment in India and updates at the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by the RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to *inter-alia*, the applicable pricing guidelines prescribed under the Master Directions. The Indian company making such fresh issue of shares would be subject to the reporting requirements, *inter-alia* with respect to consideration for issue of shares and also subject to making certain filings including the filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the company.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/ RBI, from time to time. Such conditions include:

(i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that: a) the requisite approval of the Government has been obtained, and b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.;

(ii) where the transfer of shares attracts SEBI (SAST) Regulations subject to the adherence to the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time;

(iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that: a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionality’s (such as minimum capitalization, etc.), reporting requirements, documentation etc.; b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank; and iv) where the investee company is in the financial sector provided that: a) Any ‘fit and proper/due diligence’ requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionality’s (such as minimum



capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

#### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from the conversion of any debt instrument under any arrangement shall be reckoned as a foreign investment under the composite cap.

Portfolio Investment to aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in the transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance with sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity, will not exceed the sectoral/statutory cap.

Subject to the provisions of the FDI policy, foreign investment in ‘manufacturing’ sector is under the automatic route. Further, a manufacturer is permitted to sell its products manufactured in India through wholesale and/or retail, including through e-commerce, without Government approval.

#### **i. Investment by FPIs under Portfolio Investment Scheme (PIS):**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10 % of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

#### **ii. Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “Capital Instruments”) of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 that is:

The total holding by any individual NRI or OCI shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or should not exceed 5 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10 percent of the total paid-up equity capital on a fully diluted basis or shall not exceed 10 percent of the paid-up value of each series of debentures or preference shares or share warrants; provided that the

aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

### **iii. Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase / sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.**

**Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.**

**Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.**

**Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Prospectus.**

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft 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 – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES  
OF ASSOCIATION**

**MAIN PROVISIONS OF ARTICLES OF ASSOCIATION  
OF  
DIPNA PHARMACHEM LIMITED**

Title of Article	Article Number	Content
<b>Particulars</b>	<b>1.</b>	No regulations contained in Table “F” in the First Schedule to the Companies Act, 2013 shall apply to this Company, but the regulations for the management of the Company and for the observance by the members thereof and their representatives shall, subject to any exercise of the statutory powers by the Company with reference to the repeal or alteration of, or addition to its regulations by Special Resolution, as prescribed by the said Companies Act, 2013, be such as are contained in the said Articles.
<b>INTERPRETATION</b>	<b>2.</b>	<ol style="list-style-type: none"> <li>1. The marginal notes hereto shall not affect the construction hereof. In the interpretation of these Articles the following expression shall have the following meanings, unless repugnant to the subject or context:</li> <li>2. “The Act” - The Companies Act 2013 or earlier Companies Acts (as may be in force) as the context may so require and includes the rules made there under and any statutory modification or re-enactment thereof for the time being in force.</li> <li>3. “Alter” or “Alteration” shall include the making of additions, omissions, deletion and substitutions</li> <li>4. “Annual General Meeting” - means a general meeting of the members held in accordance with the provisions of the Section 96 of the Companies Act, 2013.</li> <li>5. “Articles” means the Articles of Association of a Company as originally framed or as altered from time to time or applied in pursuance of any previous Company law or of this Act.</li> <li>6. “Auditors” - means and includes the persons appointed as such for the time being of the Company.</li> <li>7. “Beneficial Owner” - shall mean beneficial owner as defined in clause (a) of sub section (1) of Section 2 of the Depositories Act, 1996.</li> <li>8. “Board” or “Board of Directors” - means a meeting of the Directors or a Committee thereof duly called and constituted, or as the case may be, the Directors assembled at a Board or the requisite number of Directors entitled to pass a Circular Resolution in accordance with these Articles, or acting by Circular Resolution under the Articles.</li> <li>9. “Bye-laws” - means the Bye-laws which may be made by the Board of Directors of the Company under these Articles and which may for the time being be in force.</li> <li>10. “Capital” - means the capital for the time being raised for the purpose of the Company.</li> <li>11. “The Chairman” - means the Chairman of the Board of Directors for the time being of the Company.</li> <li>12. “The Company” or “This Company” – means <b>DIPNA PHARMACHEM LIMITED</b></li> <li>13. “Debenture” - includes debenture stock, bonds or any other instrument of the Company evidencing a debt, whether constituting a charge on the assets of the Company or not. Provided that: the instrument referred to in Chapter III-D of Reserved Bank of India Act, 1934; and such other instrument, as may be prescribed by the central Government consultation with the Reserve bank of India, issued by the Company shall not be treated as debenture.</li> </ol>

		<p>14. “Depositories Act, 1996” - shall include statutory modifications or re-enactment thereof.</p> <p>15. “Depository” - shall mean a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.</p> <p>16. “Directors” - means the Directors for the time being of the Company or as the case may be, the Directors assembled at a Board, or acting under a Circular Resolution under the Articles.</p> <p>17. “Dividend” - includes any interim dividend.</p> <p>18. “Documents” - includes summons, notices, requisition, other legal process and registers, whether issued, sent or kept in pursuance of the Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form.</p> <p>19. “Executor” or “Administrator” - means a person who has obtained Probate or Letter of Administration, as the case may be, from a Competent Court.</p> <p>20. “General Meeting” - means a general meeting of the members whether Annual or Extra Ordinary General meeting duly called and convened as per these Articles of Association and in accordance with the provisions of the Companies Act, 2013.</p> <p>21. “Group” - means a group of two or more individuals, associations, firms or bodies corporate, or any combination thereof, which exercises or is in a position to exercise, or has the subject of exercising, control over any individual, body corporate, firm or trust.</p> <p>22. “In writing” or “written” – means and includes words printed, lithographed, represented or reproduced in any other modes in a visible form, including telex, telegram.</p> <p>23. “Key managerial personnel”, in relation to a Company, means—  (i) the Chief Executive Officer or the managing Director or the manager;  (ii) the Company secretary;  (iii) the whole-time Director;  (iv) the Chief Financial Officer; and  (v) such other officer as may be prescribed;</p> <p>24. “Managing Director” means a Director who, by virtue of the articles of a Company or an agreement with the Company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the Company and includes a Director occupying the position of managing Director, by whatever name called.</p> <p>25. “Members” - means the duly registered holders, from time to time of the shares of the Company and includes the subscribers to the Memorandum of the Company and the beneficial owner(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.</p> <p>26. “Memorandum” means the Memorandum of Association of a Company as originally framed or as altered from time to time in pursuance of any previous Company Law or of this Act.</p> <p>27. “Month” - means a calendar month.</p> <p>28. “Office” - means the registered office for the time being of the Company</p> <p>29. “Ordinary Resolution” - shall have the meaning assigned to it by Section 114 of the Companies Act, 2013.</p> <p>30. “Paid-up” - includes capital credited as paid up.</p> <p>31. “Persons” – includes individuals, any Company or association or body of individuals whether incorporated or not.</p> <p>32. “Postal Ballot” means voting by post or through any electronic mode.</p> <p>33. “Promoter” means a person—  (i) who has been named as such in a prospectus or is identified by the Company in the annual return referred to in section 92; or  (ii) who has control over the affairs of the Company, directly or indirectly whether as a shareholder, Director or otherwise; or</p>
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		<p>(iii) in accordance with whose advice, directions or instructions the Board of Directors of the Company is accustomed to act:  Provided that nothing in sub-clause (iii) shall apply to a person who is acting merely in a professional capacity.</p> <p>34. “Proxy” - means an instrument whereby any person is authorised to vote for a member at the general meeting on poll.</p> <p>35. “The Register of Members” - means the register of members to be kept pursuant to Section 88 of the Companies Act, 2013.</p> <p>36. “The Registrar” - means the Registrar of Companies.</p> <p>37. “Seal” - means the Common Seal for the time being of the Company.</p> <p>38. “SEBI” – means the Securities and Exchange Board of India.</p> <p>39. “Secretary” - means and include a temporary or Assistant Secretary and any person or persons appointed by the Board [in accordance with the provisions of the Companies (Secretary’s Qualifications) Rules 1975 or any other rules for the time being in force] to perform any of the duties of the Secretary.</p> <p>40. “Shares” - means the shares or stocks into which the capital of the Company is divided and the interest corresponding with such shares or stocks except where a distinction between stocks and shares is expressed or implied.</p> <p>41. “Special Resolution”- shall have the meaning assigned thereto by Section 114 of the Companies Act, 2013.</p> <p>42. “Tribunal” – means the National Company Law Tribunal constituted under Section 408 of the Companies Act, 2013.</p> <p>43. “Whole-time Director” includes a Director in the whole-time employment of the Company.</p> <p>44. “Year” - means the calendar year and “Financial Year” - shall have the meaning assigned thereto by Section 2(41) of the Companies Act, 2013.</p> <p>45. Words importing the masculine gender also include the feminine gender.</p> <p>46. Words importing the singular number includes where the context admits or requires, the plural number and vice versa.</p> <p>47. Unless the context otherwise requires, words and-expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof for the time being in force.</p>
<b>CAPITAL</b>	<b>3.</b>	<p>1. The Authorised Share Capital of the Company will be as that specified in Clause V of the Memorandum of Association from time to time in accordance with the regulations of the Company and the legislative provision for the time being in force in this behalf and power to divide the Share Capital into Equity Share Capital or Preference Share Capital and to attach thereto respectively, any preferential, qualified or special rights, privileges or conditions, and to vary, modify and abrogate the same in such manner as may be determined by or in accordance with these presents PROVIDED HOWEVER that where any Government has made an order under sub-section 4 of Section 62 of the Companies Act, 2013 directing that any debenture issued by the Company or loan taken by the Company or any part thereof shall be converted into shares of the Company and no appeal has been preferred to the Tribunal under sub-section (4) of Section 62 of the Companies Act,2013 or where such appeal has been dismissed, the memorandum of the Company shall, where such order has the effect of in-creasing the Authorised Share Capital, stand altered and the Authorised Share Capital of the Company shall stand increased by an amount equal to the amount of the value of the shares into which such debentures or loans or part thereof has been converted.</p> <p>2. The Board, or a Committee of the Board authorized for this purpose by the Board, may, subject to the provisions of law, issue, grant and allot to employees of the Company stock options, equity shares or other securities, cashless options, stock appreciation rights, phantom options or any variant options, shares, rights or securities under any scheme of Employees Stock Options and Shares or other</p>

		<p>Schemes. Without prejudice to the generality of the foregoing and in particular:</p> <ul style="list-style-type: none"> <li>i) Employees shall for this purpose include Directors of the Company, whether whole-time or not and such other persons to whom such stock options, etc. can be issued under law but excluding such persons who cannot be issued stock options under applicable law;</li> <li>ii) The issue of securities may be under a cashless scheme of options;</li> <li>iii) Loans may be granted, directly or indirectly, or guarantee/security be provided to any person so granting such loan, to the proposed allottees of securities for acquiring the securities;</li> <li>iv) The Company may set up a Trust for the purpose of administration of any of such Schemes and to which such stock options, etc. maybe granted and in respect of which loans/guarantees/security maybe given.</li> </ul> <p>The Company may also issue such stock options, etc. to any other person in any manner subject to applicable law.</p> <p>3. The holders of Preference Shares shall be entitled to be paid out of the profits which the Directors shall determine to distribute by way of dividend, a fixed cumulative preferential dividend at such rates as maybe fixed by the Company (free of Company's tax but subject to deduction of tax at source at the pre-scribed rate), on the amount credited as paid up thereon and to the right, on winding up, to be paid all arrears of preferential dividend, whether earned or declared or not, down to the commencement of winding up, and also to be re-paid the amount of capital paid or credited as paid up on the Preference Shares held by them respectively in priority to any payment in respect of Equity Shares, but shall not be entitled to any other rights in the profits or assets of the Company. Subject as aforesaid and to the rights of the holders of any other shares entitled by the terms of issue to preferential repayment over the Equity Shares, in the event of the winding up of the Company, the holders of the Equity Shares shall be entitled to be repaid the amounts of capital paid up or credited as paid up on such shares and all surplus assets thereafter shall belong to the holders of the Equity Shares in proportion to the amount paid up or credited as paid up on such Equity Shares respectively at the commencement of the winding up.</p> <p>4. Subject to the provisions of Section 80 of the Companies Act, 1956 (as may be applicable) and Section 55 of the Companies Act, 2013 (as may be applicable) the following provisions shall apply in regards to redemption of Cumulative Preference Shares:</p> <ul style="list-style-type: none"> <li>(i) The Company may subject to the terms of issue at any time but in any event not later than twenty years from the issue of shares apply any profits or monies of the Company which may be lawfully applied for the purpose in the redemption of the preference shares at par together with a sum equal to arrears of dividend thereon down to the date of redemption.</li> <li>(ii) In the case of any partial redemption, the Company shall for the purpose of ascertaining the particular shares to be redeemed, cause a drawing to be made at the office or at such other place as the Directors may decide, in the presence of a representative of the Auditors for the time being of the Company.</li> <li>(iii) Forthwith after every such drawing the Company shall give to the holders of the shares drawn for redemption notice in writing of the Company's intention to redeem the same fixing a time (not less than three months thereafter) and the place for the redemption and surrender of the shares to be redeemed.</li> <li>(iv) At the time and place so fixed each holder shall be bound to surrender to the Company the Certificate for his shares to be redeemed and the Company shall pay to him the amount payable in respect of such redemption and where any such Certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh Certificate thereof.</li> </ul>
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	4.	<p>1. The Company in general meeting may, by ordinary resolution from time to time, increase the capital by creation of new shares of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the resolution shall pre-scribe, and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at general meeting of the Company in conformity with Sections 47 and 55 of the Companies Act, 2013.</p> <p>2. Whenever the capital of the Company has been increased under the provisions of this Article the Company shall file with the Registrar notice of the increase of capital as required by Section 64 of the Companies Act, 2013 within thirty days of the passing of the resolution authorising the increase, or of the receipt of the order of the Government or consequent upon an order made by the Government under Section 62 of the Companies Act, 2013.</p>
	5.	Neither the original capital nor any increased capital shall be of more than two kinds, namely (i) Equity Share Capital and (ii) Preference Share Capital, as de-fined in Section 43 of the Companies Act, 2013.
	6.	Except in so far as otherwise provided by the conditions of issue or by these Articles any capital raised by creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
	7.	Subject to the provisions of Section 55 of the Companies Act, 2013, the Company shall have the power to issue Preference Shares which are or at the option of the Company are to be liable to the redeemed and there solution authorising such issue shall prescribe the manner, terms and conditions of redemption.
	8.	<p>On the issue of Redeemable Preference Shares under the provisions of Article 7 hereof and subject to the provisions of the Act, the following provisions shall take effect:</p> <p>1. No such shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh is-sue of shares made for the purposes of the redemption.</p> <p>2. No such shares shall be redeemed unless they are fully paid.</p> <p>3. The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's Securities Premium Account, before the shares are redeemed.</p> <p>4. Where such shares are proposed to be redeemed out of the profits of the Company, there shall out of such profits, be transferred to a reserve fund to be called 'The Capital Redemption Reserve Account', a sum equal to the nominal</p>

		<p>amount of the shares to be redeemed and the provisions of the Companies Act, 2013 relating to the reduction of the Share Capital of the Company shall, except as provided in Section 55 of the Companies Act, 2013, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.</p> <p>5. Subject to the provisions of Section 55 of the Companies Act, 2013, the redemption of Preference Shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit</p>
	<b>9.</b>	<p>1. The Company may from time to time by special resolution, subject to confirmation by the Court or the Tribunal (as may be applicable) and subject to the provisions of Sections 52, 55 and 66 of the Companies Act, 2013 and other applicable provisions, if any, reduce its share capital in any manner and in particular may –</p> <ul style="list-style-type: none"> <li>(i) extinguish or reduce the liability on any of its shares in respect of the share capital not paid-up; or</li> <li>(ii) either with or without extinguishing or reducing the liability on any of its shares, -</li> <li>(iii) cancel any paid up share capital which is lost or is unrepresented by avail-able assets;</li> <li>(iv) pay off any paid up share capital which is in excess of the wants of the Company.</li> </ul> <p>2. Notwithstanding anything contained in these Articles, the Company may purchase its own shares or other securities, and the Board of Directors may, when and if thought fit, buy back such of the Company’s own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions and subject to such approvals, as may be permitted by law.</p>
	<b>10.</b>	<p>The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.</p>
	<b>11.</b>	<p>Subject to the provisions of Section 61 of the Companies Act, 2013, the Company in general meeting may from time to time by an ordinary resolution alter its Memorandum to:</p> <ul style="list-style-type: none"> <li>(i) Consolidate and divide all or any of its capital into shares of larger amount than its existing shares;</li> <li>(ii) Sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;</li> <li>(iii) 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 and diminish the amount of its share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this sub-clause shall not be deemed to be reduction of share capital within the meaning of the Act. Whenever the Company does any one or more of the things provided for in the foregoing sub-clauses (i),(ii) and (iii), the Company shall, within thirty days thereafter give notice thereof to the Registrar as required by Section 64 of the Companies Act, 2013 specifying, as the case may be, the shares consolidated, divided, sub-divided or cancelled.</li> </ul>
	<b>12.</b>	<p>Whenever the share capital of the Company, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Companies Act, 2013, be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or by means of a special resolution passed at a separate general meeting of the holders of shares of that class, and all the provisions hereafter contained as to general meetings shall, mutatis mutandis, apply to</p>



		every such meeting. This Article is not to derogate from any power the Company would have if this Article was omitted. Provided that if variation by one class of shareholders of the Company affects the rights of any other class of Shareholders of the Company, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this Article shall apply to such variation. The rights conferred upon the holders of the shares (including Preference Shares, if any) of any class issued with preferred or other rights or privileges shall unless otherwise expressly provided by the terms of the issue of shares of that class be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.
<b>SHARES, DEBENTURES, OTHER SECURITIES AND CERTIFICATES</b>	<b>13.</b>	The Company shall cause to be kept and maintained a Register of Members, register of debenture-holders, and a register of any other security holders in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares, debentures, or other securities held in material land dematerialized forms in any media as may be permitted by law including in any form of electronic media. The Company is authorised to, if so required by the Company, maintain a part of its register of members, register of debenture holders and / or register of any other security holders outside India (such part of the relevant register shall be called the “Foreign Register”) and such Foreign Register shall contain the names and particulars of the members, debenture holders, other security holders or beneficial owners (as the case may be) residing outside India.
	<b>14.</b>	<ol style="list-style-type: none"> <li>1. Notwithstanding anything to the contrary contained in these Articles, the Company shall be entitled to dematerialise and rematerialise its existing shares, de-bentures and other securities and/or to offer its fresh shares, debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any, and the register and index of beneficial owners maintained by the relevant Depository under section 11 of the Depositories Act, 1996, shall be deemed to be the corresponding register and index maintained by the Company.</li> <li>2. Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is a beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed issue to the beneficial owner the required Certificates of Securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in the records the name of the allottee as the beneficial owner of the security.</li> <li>3. All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in sections 89 and 112 and such other applicable provisions of the Companies Act, 2013 shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.</li> <li>4. (i) Notwithstanding anything to the contrary contained in the Companies Act, 2013 or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of securities on behalf of the beneficial owner.  (ii) Save and otherwise provided in (i) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.  (iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to</li> </ol>

		<p>all rights and benefits and be subject to all liabilities in respect of the securities held by a Depository on behalf of the beneficial owner.</p> <p>5. Notwithstanding anything contained in the Companies Act, 2013 or these Articles to the contrary, where securities are held with a Depository the records of the beneficial ownership may be served by such Depository on the Company by means of registered post or by speed post or by courier service or by leaving it at its Registered Office or by means of such electronic or other mode as may be prescribed.</p> <p>6. Nothing contained in Section 56 of the Companies Act, 2013, or these Articles shall apply to transfer of securities issued by the Company, effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.</p> <p>7. Notwithstanding anything contained in Section 56 of the Companies Act, 2013 or these Articles, where securities issued by the Company are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.</p> <p>8. Nothing contained in Section 56 of the Companies Act, 2013 or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company, shall apply to securities held with a Depository.</p>
	<b>15.</b>	The Board of Directors shall observe the restrictions as to allotment of shares to the public contained in Section 39 of the Companies Act, 2013, as well as any other applicable provisions of the Act, and shall cause to be made the returns as to allotment provided for in Section 39 of the Companies Act, 2013 and/or as maybe prescribed under the Act.
	<b>16.</b>	<p>1. Where at any time, it is proposed to increase the subscribed capital of the Company by issue of further shares, such further shares shall be offered;</p> <p>(i) to the persons who, at the date of the offer, are holders of the Equity Shares of the Company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions namely:</p> <p>(a) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined. Such notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue;</p> <p>(b) The offer aforesaid 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 and the notice referred to in sub-clause (i) here-of shall contain a statement of this right, PROVIDED THAT the Directors may decline, without assigning any reason, to allot any shares to any per-son in whose favour any member may renounce the shares offered to him;</p> <p>(c) After the expiry of the time specified in the aforesaid notice, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company.</p> <p>(ii) to the employees under a scheme of employees' stock option, subject to special resolution passed by Company and subject to such conditions as may be prescribed.</p> <p>2. Notwithstanding anything contained in sub-clause (1) hereof, the further shares aforesaid may be offered to any persons, if a special resolution to that effect is passed by the Company in general meeting, whether or not those persons include</p>

		<p>the persons referred to in sub-clause (1)(i) hereof, either for cash or for a consideration other than cash in accordance with the provisions of Section 62 of the Companies Act, 2013 (and the rules made thereunder) and in accordance with applicable rules and regulations prescribed by SEBI in this regard from time to time. Further, the option or right to call of shares shall not be given to any person except with the sanction of the issuer in general meeting.</p> <p>3. Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or the terms of any loans raised by the Company to convert such debentures or loans into shares in the Company. PROVIDED that the terms of issue of such debentures or terms of such loan containing such an option have been approved before the issue of such debentures or the raising of such loan by a special resolution passed by the Company in a general meeting.</p> <p>4. Notwithstanding anything contained in sub-clause (3) above, where any debentures have been issued or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion. Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.</p> <p>5. In determining the terms and conditions of conversion under sub-clause (4), the Government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.</p> <p>6. Where the Government has, by an order made under sub-clause (4), directed that any debenture or loan or any part thereof shall be converted into shares in the Company and where no appeal has been preferred to the Tribunal under sub-clause (4) or where such appeal has been dismissed, the Memorandum of the Company shall, where such order has the effect of increasing the authorised share capital of the Company, be altered and the authorised share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.</p>
	<b>17.</b>	<p>Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit subject to the sanction of the Company in a general meeting to give any person the option to call for or be allotted shares of any class of the Company either at a premium or at par or at a discount subject to the provisions of Sections 52, 53,54 and 58 of the Companies Act, 2013 and for such time and for such consideration as the Directors think fit.</p>
	<b>18.</b>	<p>1. Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to an account, to be called "THE SECURITIES PREMIUM ACCOUNT" and the provisions of the Companies Act, 2013 relating to reduction of share capital of the Company shall, except as provided in this Article, apply as if the securities premium account were the paid-up share capital of the Company.</p> <p>2. Notwithstanding anything contained in clause (1) above but subject to the provisions of Section 52 of the Companies Act, 2013, the securities premium account may be applied by the Company-</p>

		<p>(i) towards the issue of unissued shares of the Company to the members of the Company as fully paid bonus;</p> <p>(ii) in writing off the preliminary expenses of the Company;</p> <p>(iii) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company;</p> <p>(iv) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company; or</p> <p>(v) for the purchase of its own shares or other securities under Section 68 of the Companies Act, 2013.</p>
	<b>19.</b>	In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 15 and 16, the Company in a General Meeting may, subject to the provisions of Section 62 of the Companies Act, 2013 and 108A of the Companies Act, 1956, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) be offered to such persons (whether members or not) in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of Sections 52, 53 and 54 of the Companies Act, 2013) as such General Meeting shall determine and with full power to give any person whether a member or not the option to call for or be allotted shares of any class of the Company either at a premium or at par or at a discount (subject to compliance with the provisions of Sections 52, 53 and 54 of the Companies Act, 2013) such option being exercisable at such time and for such consideration as may be directed by such General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any such shares.
	<b>20.</b>	Except as provided in Section 54 of the Companies Act, 2013, the Company shall not issue shares at a discount. Any share issued by the Company at a discounted price shall be void.
	<b>21.</b>	If by the conditions of any allotment of any share, the whole or any part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the shares or his legal representatives.
	<b>22.</b>	Subject to the provisions of the Companies Act, 2013 and these Articles, the Board may allot and issue shares in the capital of the Company as payment of any property sold or transferred or for service rendered to the Company in the conduct of its business and any shares which may be so issued shall be deemed to be fully paid up shares.
	<b>23.</b>	Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is on the Register shall, for the purpose of these Articles, be a member.
	<b>24.</b>	The money (if any) which the Board of Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the inscription of the name of the allottee in the register of members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
	<b>25.</b>	Every member, or his heirs, executors or administrators to the extent of his assets which come to their hands shall be liable to pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon in such amounts, at such time or times and in such manner as the Board of Directors shall from time to time require or fix for the payment thereof.

	26.	<p>1. Every member or allottee of shares shall be entitled, without payment, to receive one Certificate for all the shares of the same class registered in his name. Every Share Certificate shall specify the number and the distinctive number(s) of the shares in respect of which it was issued and the amount paid up thereon. Such certificate shall be issued only in pursuance of a Resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in case of issues against letters of acceptance or of renunciation or in case of issue of bonus shares. PROVIDED THAT if the letter of allotment is lost or destroyed the Board may impose such reasonable terms, if any, as it thinks fit, as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence. The certificate of title to shares shall be issued under the Seal of the Company and shall be signed in conformity with the provisions of the Companies (Share Capital and Debenture) Rules, 2014 or any statutory modification or re-enactment thereof for the time being in force. Printing of blank forms to be used for issue of Share Certificates and maintenance of books and documents relating to issue of Share Certificates shall be in accordance with the provisions of aforesaid rules. Such certificates of title to shares shall be completed and kept ready for delivery within such time frame as may be prescribed in this regard after the allotment.</p> <p>2. Any two or more joint allottees or holders of shares shall, for the purpose of this Article, be treated as a single member and the certificate of any share, which may be the subject to joint ownership, may be delivered to any one of such joint owners on behalf of all of them.</p>
	27.	<p>No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn, or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company.</p> <p>PROVIDED THAT no fee shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised.</p> <p>PROVIDED FURTHER that in case of any Share Certificate being lost or destroyed the Company may issue a duplicate certificate in place of the Certificate so lost or destroyed on such terms as to evidence, out-of-pocket expenses in regard to investigation of such evidence and indemnity as the Board may determine.</p>
	28.	<p>Notwithstanding anything contained in Article 25, the Board of Directors may refuse applications for subdivision of Share Certificate into denominations of less than the marketable lot for the time being in force, except when such sub-division is required to be made to comply with a statutory order or an order of a competent court of law or to remedy a genuine mistake of fact or law.</p> <p>PROVIDED THAT the Directors may, at their discretion, in case of genuine needs, allow sub-division of share certificates in denomination of less than the marketable lots, and may, if necessary, require production of suitable documentary evidence therefore.</p>
	29.	<p>If any share stands in the names of two or more persons the first named in the Register shall, as regards receipts of dividends or bonus or service of notice or any other matter connected with the Company, except voting at meetings and the transfer of the shares, be deemed the sole holder thereof but the joint holders of a share shall severally as well as jointly be liable for the payment of all installments and calls due in respect of such share, and for all incidents thereof according to the provisions of the Act.</p>
	30.	<p>Except as ordered by a court / Tribunal of competent jurisdiction or as by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the beneficial owner thereof and accordingly shall not be bound to recognise any benami trust, or equity or equitable, contingent or</p>

		other claim to or interest in such share on the part of any other person whether or not it shall have expressor implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any two or more persons or the survivor or survivors of them.
	31.	Notwithstanding anything contained hereinabove, a Member has a right to nominate one or more persons as his/her nominee(s) to be entitled to the rights and privileges as may be permitted under the law of such a member in the event of death of the said member/s subject to the provisions of the Companies Act, 2013, and other applicable laws.
	32.	When any declaration is filed with the Company under the provisions of Section 89 of the Companies Act, 2013, (i) by any holder of shares who does not hold beneficial interest in such share specifying the particulars of the person holding beneficial interest in such shares, or (ii) by a person who holds or acquires a beneficial interest in any share of the Company specifying the nature of his interest, particulars of the person in whose name the shares stand registered in the books of the Company and such other particulars as may be prescribed, the Company, or (iii) by the person referred to in (i) and the beneficial owner referred to in (ii) where any change occurs in the beneficial interest of such shares, the Company shall make a note of such declaration in its concerned register and file, within 30 days from the date of receipt of the declaration by it, a return with the Registrar with regard to such declaration together with the prescribed fees for the same.
	33.	Save as provided in Section 67 of the Companies Act, 2013, the Company shall not have the power to buy its own shares unless the consequent reduction of share capital is effected under the provisions of the Companies Act, 2013. The Company shall not give, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person of or for any share in the Company or in its holding Company.
<b>UNDERWRITING AND BROKERAGE</b>	34.	Subject to the provisions of Section 40 of the Companies Act, 2013, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures or debenture stock in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares, debentures or debenture-stock of the Company, but so that the commission shall not exceed in the case of shares five per cent of the price at which the shares are issued and in the case of debentures two and a half percent of the price at which the debentures are issued. Such commission shall be paid either out of the proceeds of the issue or the profit of the Company or both. Subject to the provisions of the Act, any commission payable as aforesaid may be satisfied by payment of cash or by allotment of fully or partly paid shares or debentures as the case may be or partly in one way and partly in the other.
	35.	Where the Company has paid any sum by way of commission in respect of any shares or debentures such statement thereof shall be made in the Annual Return as required by Section 92 of the Companies Act, 2013.
	36.	The Company may pay a reasonable sum for brokerage.
<b>INTEREST OUT OF CAPITAL</b>	37.	Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provisions of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by the Act, and may charge the same to Capital as part of the cost of construction of the work or building or the provisions of the plant.
<b>CALLS</b>	38.	Subject to the provisions of Section 49 of the Companies Act, 2013, the Board of Directors may, from time to time, by a Resolution passed at a meeting (and not by a Circular Resolution), make such calls as it thinks fit upon the members in respect of all monies unpaid on the shares held by them (whether on account of the nominal value of the shares or by way of premium), and not by conditions of allotment thereof made

		payable at fixed time. Each member shall pay the amount of every call so made on him to the person or persons and at the time and place appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine.
	39.	At least fourteen days' notice in writing of any call shall be given by the Company specifying the time or times and place of payment, and the person or persons to whom such call shall be paid.
	40.	A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.
	41.	The Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such times as to all or any of the members who on account of residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension; but no member shall be entitled to such extension as of right except as a matter of grace and favour.
	42.	If by the terms of issue of any share or otherwise any amount is or becomes payable at any fixed time or by installments at fixed times (whether on account of the nominal amount of the shares or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly. In case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call made and notified.
	43.	If the sum payable in respect of any call or installment be not paid on or before the day appointed for the payment thereof the holder for the time being or allottee of the share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rates as may be fixed by the Board of Directors from the day appointed for the payment thereof to the time of actual payment but the Directors may, in their absolute discretion, waive payment of such interest wholly or in part.
	44.	On the trial or hearing of any action or suit brought by the Company against any member or his legal representatives for the recovery of any monies claimed to be due to the Company for any call in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered is entered in the Register of Members as the holder or as one of the holders of the shares at or subsequent to the date at which the money sought to be recovered is alleged to have become due, on the shares in respect of which such money is sought to be recovered that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever and the proof of the matters aforesaid shall be conclusive evidence of the debt.
	45.	Neither a judgment nor a decree in favour of the Company for the calls or other monies due in respect of any shares nor the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his share, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
	46.	The Board of Directors may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amount due upon the shares held by him beyond the sums actually called for and upon the monies so paid in advance or so

		much thereof from time to time as exceeds the amount of the calls then made upon shares in respect of which such advances are made, the Board of Directors may payor allow interest, at such rate not exceeding, unless the Company in general meeting shall otherwise direct, nine per cent per annum as the member paying the sum in advance and the Board of Directors agree upon. The Board of Directors may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to such members three months' notice in writing. The member paying any such sum in advance shall not be entitled to dividend or to participate in the profits of the Company or to voting rights in respect of the monies so paid by him until the same would, but for such payment, become presently payable. Provided however and notwithstanding the aforesaid and subject to applicable law, the Company may pay dividends in proportion to the amount paid up on each share.
<b>LIEN</b>	<b>47.</b>	The Company shall have a first and paramount lien upon all shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all monies (whether presently payable or not), called or payable at a fixed time in respect of such shares and no equitable interests in any such share shall be created except upon the footings and condition that this Article is to have full legal effect. Any such lien shall extend to all dividends from time to time declared in respect of shares. PROVIDED THAT the Board of Directors may, at any time, declare any share to be wholly or in part exempt from the provisions of this Article
	<b>48.</b>	The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien for the purpose of enforcing the same. PROVIDED THAT no sale shall be made:- (i) unless a sum in respect of which the lien exists is presently payable; or (ii) until the expiration of fourteen days after the notice in writing demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency. For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such shares and may authorise out of their members to execute a transfer thereof on behalf of and in the name of such members.
	<b>49.</b>	<ol style="list-style-type: none"> <li>1. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</li> <li>2. The Purchaser shall be registered as the holder of the shares comprised in any such transfer.</li> <li>3. The Purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</li> </ol>
	<b>50.</b>	<ol style="list-style-type: none"> <li>1. The net proceeds of any such sale shall be received by the Company and applied in or towards such part of the amount in respect of which the lien exists as is presently payable; and</li> <li>2. The residue, if any, shall be paid to the person entitled to the shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the share before the sale).</li> </ol>
<b>FORFEITURE OF SHARES</b>	<b>51.</b>	If any member fails to pay any call or any installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
	<b>52.</b>	For the purpose of the provisions of these presents relating to forfeiture of shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such share on the day of allotment.



	<b>53.</b>	The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.
	<b>54.</b>	If the requirements of any such notice as aforesaid are not complied with, every or any share in respect of which such notice has been given, may at any time thereafter, before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a Resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other monies payable in respect of the forfeited shares and not actually paid before the forfeiture.
	<b>55.</b>	When any share shall have so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forth with be made in the Register of Member, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
	<b>56.</b>	Any share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit. The Board may decide to cancel such shares.
	<b>57.</b>	Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding twelve per cent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such monies or any part thereof, if it thinks fit, but shall not be under any obligation so to do.
	<b>58.</b>	The forfeiture of a share shall involve extinction at the time of the forfeiture, of all interest in and all claims and demands against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.
	<b>59.</b>	The Board of Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
	<b>60.</b>	<ol style="list-style-type: none"> <li>1. A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;</li> <li>2. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;</li> <li>3. The person to whom such share is sold, re-allotted or disposed off shall thereupon be registered as the holder of the shares;</li> <li>4. Any such purchaser or allottee shall not (unless by express agreement) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment;</li> <li>5. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share.</li> </ol>

	<b>61.</b>	The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
	<b>62.</b>	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the Certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the persons entitled thereto.
	<b>63.</b>	The Directors may, subject to the provisions of the Companies Act, 2013, accept a surrender of any share from or for any member desirous of surrendering on such terms as they think fit.
<b>TRANSFER AND TRANSMISSION OF SHARES</b>	<b>64.</b>	The Company shall keep a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share and debenture held in material form.
	<b>65.</b>	In the case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.
	<b>66.</b>	The instrument of transfer of any share shall be in the prescribed form and in accordance with the requirements of Section 56 of the Companies Act, 2013.
	<b>67.</b>	<ol style="list-style-type: none"> <li>1. An application for the registration and transfer of the shares in the Company may be made either by the transferor or the transferee.</li> <li>2. Whether the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.</li> <li>3. For the purpose of sub-clause (2), above, notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.</li> </ol>
	<b>68.</b>	Every such instrument of transfer duly stamped shall be executed by or on behalf of both the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such shares until the name of the transferee shall have been entered in the Register of Members in respect thereof.
	<b>69.</b>	A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution to the instrument of transfer.
	<b>70.</b>	The Board of Directors may, after giving not less than seven days' previous notice by advertisement as required by Section 91 of the Companies Act, 2013 or such lesser period as may be specified by the Securities Exchange Board of India close the Transfer Books, the Register of Members or the Register of Debenture-holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year as it may seem expedient to the Board.

	<b>71.</b>	<p>1. Subject to the provisions of Sections 58 of the Companies Act, 2013, or any statutory modification thereof for the time being in force, the Directors may, at any time, in their own absolute and uncontrolled discretion decline to register or acknowledge any transfer of any share for sufficient cause and in particular may so decline in any case in which the Company has a upon the shares desired to be transferred or any call or installment regarding any of them remains un-paid. The registration of a transfer shall be conclusive evidence of the approval of the Directors of the transferee.</p> <p>PROVIDED THAT registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons ' to the Company on any account whatsoever except in a lien on shares.</p> <p>2. No share shall in any circumstances be transferred to any minor, insolvent or person of unsound mind, unless represented by a guardian.</p>
	<b>72.</b>	<p>If the Company refuses to register the transfer of any securities or transmission of any right therein, the Company shall within thirty days from the date on which the instrument of transfer or intimation of transmission was lodged with the Company send notice of refusal along with sufficient cause to the transferee and the transferor or to the person giving intimation of the transmission, as the case may be, and thereupon the provisions of Section 58 of the Companies Act, 2013, or any statutory modification thereof for the time being in force shall apply.</p>
	<b>73.</b>	<p>In case of the death of any one or more persons named in the Register of Members as the joint holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.</p>
	<b>74.</b>	<p>Except where a deceased member had made a nomination in respect of the shares held (in which case such shares shall be dealt with in the manner prescribed by the Act and the Rules thereunder), the executors or administrators of a deceased member or the holder of a succession certificate or the legal representatives in respect of the shares of a deceased member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the names of such member, and the Company shall not be bound to recognise such executors or administrators or holders of a succession certificate of the legal representative unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration, or Succession Certificate as the case may be, from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register under Article 72 the name of any person who claims to be absolutely entitled to the shares standing in the name of the deceased member, as a member.</p>
	<b>75.</b>	<p>Subject to the provisions of Articles 69 and 70 any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by and lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board of Directors (which it shall not be under obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under these Articles, or of his title, as the Board of Directors shall require and upon giving such indemnity as the Directors shall require, either be registered as a member in respect of such shares or elect to have some person nominated by him and approved by the Board of Directors registered as a member in respect of such shares PROVIDED NEVERTHELESS that if such person shall elect to have his nominee registered, he shall testify his election by executing in favour of his nominee as instrument of transfer in accordance with the provision herein contained, and until he does so, he shall not be freed from any liability in respect of such shares. This clause is herein referred to as "THE TRANSMISSION CLAUSE".</p>

	76.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any share or his nominee as if he were the transferee named in an ordinary transfer presented for registration.
	77.	The Company shall be entitled to decline to register more than four persons as the holders of any share.
	78.	A person entitled to a share by transmission shall subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may give a discharge for any dividends or other monies payable in respect of the share.
	79.	Prior to the registration of a transfer, the certificate or certificates of the share or shares to be transferred, and if no such certificate is in existence, the Letter of Allotment of the shares, must be delivered to the Company along with (save as provided in Section 56 of the Act) a properly stamped and executed instrument of transfer, with the date of presentation of the instrument to the proper authorities, duly endorsed thereon.
	80.	No fee shall be charged for registration of transfer, grant of Probate, Succession Certificate and Letters of Administration, Certificates of Death or Marriage, Power of Attorney or similar other documents.
	81	The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the register of members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless, be at liberty to regard and attend to any such notice, and give effect thereto if the Board of Directors shall so think fit.
<b>COPIES OF MEMORANDUM AND ARTICLES OF ASSOCIATION TO BE SENT TO MEMBERS</b>	82.	The Company shall subject to the payment of the fee prescribed under Section 17 of the Companies Act, 2013, or its statutory modification for the time being in force, on being so required by a member, send to him with seven days of the requirement, a copy of each of the following documents as in force for the time being. (i) The Memorandum, (ii) The Articles, and (iii) Every agreement and every resolution referred to in sub-section (1) of Section 117 of the Companies Act, 2013, if and in so far as they have not been embodied in the Memorandum of the Company or these Articles.
<b>BORROWING POWERS</b>	83.	Subject to the provisions of Sections 179 to 180 of the Companies Act, 2013 and of these Articles, the Board of Directors may, from time to time at its discretion, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company from any source. PROVIDED HOWEVER, where the monies to be borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in general meeting. No debt incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.

	<b>84.</b>	The payment or repayment of monies borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a Resolution passed at a meeting of the Board (and not by Circular Resolution) by the issue of debentures of Debenture-Stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its uncalled capital for the time being, and the debentures and the Debenture-Stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
	<b>85.</b>	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing allotment of shares, attending (but not voting) at general meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in general meeting.
	<b>86.</b>	If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.
	<b>87.</b>	The Board of Directors shall cause a proper register to be kept in accordance with the provisions of Section 85 of the Companies Act, 2013 of all mortgages, debentures and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 71 and Sections 77 to 87 (both inclusive) of the Companies Act, 2013, in that behalf to be duly complied with, so far as they are to be complied with by the Company. The Company shall comply with the provisions of Section 79 of the Companies Act, 2013 as regards modification of a charge and its registration with the Registrar.
	<b>88.</b>	The Company shall, if at any time it issues debentures, keep a Register and Index of Debenture Holders in accordance with Section 88 of the Companies Act, 2013. The Company shall have the power to keep in any State or Country outside India a branch Register of Debenture-holders resident in the State or country.
<b>MEETINGS OF MEMBERS / GENERAL MEETINGS</b>	<b>89.</b>	<ol style="list-style-type: none"> <li>1. The Company shall in each year hold, in addition to any other meetings, a general meeting as its Annual General Meeting in accordance with the provisions of Sections 96 of the Companies Act, 2013 and shall specify the meeting as such in the notice calling it, except in the case where the Registrar, has given an extension of time for holding any Annual General Meeting and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. PROVIDED THAT the Registrar may, for any special reason, extend the time within which any annual general meeting shall be held, by a period not exceeding three months.</li> <li>2. Every Annual General Meeting shall be called for any time during business hours, that is, between 9 a.m. and 6 p.m., on any day that is not a National Holiday (as defined under the Companies Act, 2013) and shall be held either at the registered office of the Company or at some other place within the city or town or village in which the registered office of the Company is situated for the time being.</li> <li>3. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor.</li> </ol>
	<b>90.</b>	At every annual general meeting of the Company there shall be laid on the table the Directors' Report and Audited Statement of Accounts, Auditors' Report (if not already incorporated in the Audited Statement of Accounts), the Proxy Register with Proxies, and the Register of Directors and Key Managerial Personnel maintained under Section 170 of the Companies Act, 2013.

	<b>91.</b>	All general meetings other than annual general meeting shall be called Extra-Ordinary General Meeting.
	<b>92.</b>	<ol style="list-style-type: none"> <li>1. The Company shall comply with the provisions of Section 92 of the Companies Act, 2013 regarding the filing of Annual Return and as regards the annual return and certificates to be annexed thereto.</li> <li>2. The Register required to be kept and maintained by the Company under Section 88 of the Companies Act, 2013 and copies of the annual return filed under Sections 92 of the Companies Act, 2013, shall be kept at the registered office of the Company. PROVIDED THAT such registers or copies of return may, also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved for this purpose by a Special Resolution passed in general meeting of the Company and the Registrar has been given a copy of the proposed Special Resolution in advance.</li> <li>3. (i) The registers and their indices, except when they are closed under the provisions of the Act, and the copies of all the returns shall be open for inspection by any member, debenture holder or other security holder or beneficial owner, during the business hours (subject to such reasonable restrictions as the Company may impose) without fee and by any other person on payment of such fees as may be prescribed under the Act and the rules made thereunder. (ii) Any such member, debenture-holder, other security holder or beneficial owner or any other person may take extracts from any register, or index or return without payment of any fee or require a copy of any such register or entries therein or return on payment of such fees as may be prescribed under the Act not exceeding ten rupees for each page. Such copy or entries or return shall be supplied within seven days of deposit of such fee.</li> <li>4. The Company shall cause any copy required by any person under Clause (ii) of sub-clause (3) to be sent to that person within a period of seven days of the deposit of such fees exclusive of non-working days, commencing on the day next after the day on which the requirement is received by the Company.</li> </ol>
	<b>93.</b>	<ol style="list-style-type: none"> <li>1. Subject to the provisions of Section 111 of the Companies Act, 2013, the Directors shall on the requisition in writing of such number of members as required in Section 100 of the Companies Act,;- <ol style="list-style-type: none"> <li>(i) give notice to the members of the Company of any resolution which may properly be moved and is intended to be moved at a meeting;</li> <li>(ii) Circulate to members, any statement with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.</li> </ol> </li> <li>2. Subject to the provisions of Section 100 of the Companies Act, 2013, the number of members necessary for a requisition under clause (1) hereof shall be such number or numbers who hold, on the date of receipt of the requisition, not less than one-tenth of the paid-up share capital of the Company as on that date carried the right of voting.</li> <li>3. The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless : <ol style="list-style-type: none"> <li>(i) a copy of a requisition signed by the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the registered office of the Company- <ol style="list-style-type: none"> <li>(a) in the case of a requisition requiring notice of resolution, not less than six weeks before the meeting,</li> <li>(b) in the case of any other requisition not less than two weeks before the meeting, and</li> </ol> </li> <li>(ii) there is deposited or tendered with the requisition a sum reasonably sufficient to meet the Company's expenses in giving effect thereto.</li> </ol> PROVIDED that if after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company, an annual general </li> </ol>

		<p>meeting is called on a date within six weeks after such copy has been de-positied, the copy, although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purpose there-of.</p> <p>4. The Company shall not also be bound under this Article to circulate any statement, if, on the application either of the Company or of any other person who claims to be aggrieved, the Central Government by order declares that the rights conferred by this clause are being abused to secure needless publicity for defamatory matter.</p>
	<b>94.</b>	The Directors may, whenever they think fit convene an extraordinary general meeting and they shall on requisition of the members as hereinafter provided, call an extraordinary general meeting of the Company within the period specified below.
	<b>95.</b>	<p>In case of requisition the following provisions shall have effect :</p> <p>(i) The requisition shall set out the matters for the consideration of which the meeting is to be called, and shall be signed by the requisitionists and sent to the registered office of the Company.</p> <p>(ii) The number of members entitled to requisition an extraordinary general meeting shall be such number of members who hold at the date of the receipt of the requisition, not less than one-tenth of such of the paid up capital of the Company as on that date carries the right of voting.</p> <p>(iii) If the Board does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of receipt of the requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.</p> <p>(iv) A meeting called under clause (iii) by requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board.</p> <p>(v) Any reasonable expenses incurred by the requisitionists in calling a meeting under sub-clause (iii) shall be reimbursed to the requisitionists by the Company, and any sums so paid shall be deducted from any fee or other remuneration under Section 197 of the Companies Act, 2013 payable to such of the Directors who were in default in calling the meeting.</p>
	<b>96.</b>	A general meeting of the Company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as may be prescribed by the Act and the rules made thereunder. Provided that a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five per cent of the members entitled to vote at such meeting.
	<b>97.</b>	<ol style="list-style-type: none"> <li>1. Every notice of a meeting of the Company shall specify the place, date, day and hour of the meeting and shall contain a statement of the business to be transacted thereat.</li> <li>2. The notice of every meeting shall be given to: <ol style="list-style-type: none"> <li>(i) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member;</li> <li>(ii) the Auditor or Auditors for the time being of the Company; and</li> <li>(iii) every Director of the Company.</li> </ol> </li> <li>3. In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a member entitled to attend and vote at the meeting is entitled to appoint a proxy, or, where that is allowed, one or more proxies, to attend and vote instead of himself, and that a proxy need not be a member of the Company.</li> </ol>

	<b>98.</b>	<p>1. (i) In the case of an annual general meeting, all business to be transacted at the meeting, shall be deemed special with the exception of business relating to</p> <p>(a) The consideration of financial statements and the reports of the Board of Directors and Auditors;</p> <p>(b) The declaration of any dividend;</p> <p>(c) The appointment of Directors in the place of those retiring; and</p> <p>(d) The appointment of, and the fixing of the remuneration of the Auditors</p> <p>(ii) In the case of any other meeting, all business shall be deemed special;</p> <p>2. PROVIDED that where any item of special business to be transacted at a meeting of the Company relates to or affects any other Company, the extent of shareholding interest in that other Company of every promoter, Director, manager, if any, and of every other key managerial personnel of the Company shall, if the extent of such shareholding interest is not less than two per cent of the paid-up share capital of that Company, also be set out in the statement.</p> <p>3. Where any item of business refers to any document which is to be considered by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.</p>
	<b>99.</b>	Any accidental omission to give any such notice as aforesaid to or the non-receipt thereof by any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of any such meeting.
	<b>100.</b>	No general meeting, annual or extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the meeting.
	<b>101.</b>	The number of members prescribed under Section 103 of the Companies Act, 2013 and entitled to vote and present in person shall be a quorum for general meeting and no business shall be transacted at the general meeting unless the quorum requisite be present at the commencement of the meeting. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Companies Act, 2013. The President of India or the Governor of a State, if he is a member of the Company, shall be deemed to be personally present if he is represented in accordance with Section 112 of the Companies Act, 2013.
	<b>102.</b>	<p>1. If within half an hour from the time appointed for holding a meeting of the Company the quorum is not present,</p> <p>(i) the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Board may determine; or</p> <p>(ii) the meeting, if called by requisitionists in accordance with Section 100 of the Companies Act, 2013, shall stand cancelled. Provided that in case of an adjourned meeting or of a change of day, time or place of meeting under sub clause(i), the Company shall give not less than three days' notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated.</p> <p>2. If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be the quorum and may transact the business for which the meeting was called.</p>
	<b>103.</b>	Where a resolution is passed at an adjourned meeting of the Company, the resolution shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.
	<b>104.</b>	The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or shall decline to take the chair, the Directors present shall elect one of them as Chairman and if no Director be present or if the Directors present decline to take the chair, then the members present shall elect one of their members to be a Chairman. If a poll is



		<p>demanded on the election of the Chairman it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected as a result of the poll he shall be the Chairman for the rest of the meeting.</p> <p>The Chairman may, at the same time, be appointed as Managing Director or Deputy Managing Director or Whole Time Director or Chief Executive Officer of the Company.</p>
	<b>105.</b>	No business shall be discussed at any general meeting except the election of a Chairman whilst the chair is vacant.
	<b>106.</b>	<ol style="list-style-type: none"> <li>1. The Chairman 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 from place to place.</li> <li>2. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place</li> </ol>
	<b>107.</b>	At any general meeting, a resolution put to the vote of the meeting shall unless a poll is demanded under Section 109 of the Companies Act, 2013, or the voting is carried out electronically, be decided on a show of hands.
	<b>108.</b>	A declaration by the Chairman that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceeding of the Company shall be conclusive evidence of the fact of passing of such resolution, or otherwise, without proof of the number of proportion of votes in favour or against such resolution.
	<b>109.</b>	<ol style="list-style-type: none"> <li>1. Before or on the declaration of result of voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by the members present in person or by proxy, where allowed, and having not less than one-tenth of the total voting power or holding shares on which an aggregate sum of not less than five lakhs rupees or such higher amount as may be prescribed has been paid-up.</li> <li>2. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.</li> </ol>
	<b>110.</b>	A poll demanded for adjournment of the meeting or appointment of Chairman of the meeting shall be taken forthwith. A poll demanded on any question other than adjournment of the meeting or appointment of a Chairman shall be taken at such time, not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the meeting may direct.
	<b>111.</b>	In the case of an equality of votes, the Chairman shall, both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a member.
	<b>112.</b>	Where a poll is to be taken, the Chairman of the meeting shall appoint one scrutineer to scrutinise the vote given on the poll and to report thereon to him. Subject to the provisions of Section 109 of the Companies Act, 2013, the Chairman of the meeting shall have power to regulate the manner in which the poll shall be taken and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
	<b>113.</b>	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
	<b>114.</b>	Subject to the provisions of Section 110 of the Companies Act, 2013 and these Articles, and as may be applicable by law, the Company shall, in respect of such items of business as the Central Government may, by notification, declare to be transacted only by means of postal ballot; and may, in respect of any item of business, other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as

		may be prescribed, instead of transacting such business at a General Meeting.
	<b>115.</b>	<p>A copy of each of every resolutions or agreement in respect of the following matters together with the explanatory statement under Section 102 of the Companies Act, 2013, if any, annexed to the notice calling the meeting in which such resolution is proposed, shall be filed with the Registrar within thirty days of the passing or making thereof in such a manner and with such fees as may be prescribed within the time specified under Section 403 of the Companies Act, 2013:</p> <p>(i) Every special resolution;</p> <p>(ii) Every resolution which has been agreed to by all members of the Company, but which, if not so agreed to, would not have been effective for the purpose unless it had been passed as a special resolution;</p> <p>(iii) Every resolution of the Board of Directors or agreement executed by the Company relating to the appointment, re-appointment or renewal of appointment or variation in the terms of appointment of a Managing Director;</p> <p>(iv) Every resolution or agreement which has been agreed to by all the members of any class of shareholders but which, if not so agreed to, would not have been effective for the purpose unless it had been passed by a specified majority or otherwise in some particular manner; and every resolution or agreement which effectively binds all the members or any class of shareholders though not agreed to by all those members;</p> <p>(v) Every resolution passed by the Company according consent to the exercise by the Board of Directors of any of the powers under clause (a), and clause (c) of sub-section (1) of the Section 180 of the Companies Act, 2013;</p> <p>(vi) Every resolution requiring the Company to be wound up voluntarily passed in pursuance of Section 304 of the Companies Act, 2013</p> <p>(vii) Every resolution passed in pursuance of sub-section (3) of Section 179 of the Companies Act, 2013; and</p> <p>(viii) Any other resolution or agreement as may be prescribed and placed in the public domain. Provided that the copy of every such resolution which has the effect of altering the Articles and the copy of every agreement referred to above shall be embodied in or annexed to, every copy of these Articles issued after the passing of the resolution or the making of the agreement.</p>
<b>VOTES OF MEMBERS</b>	<b>116.</b>	A member paying the whole or a part of the amount remaining unpaid on any share held by them although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the monies so paid by him until the same would but for such payment become presently payable.
	<b>117.</b>	No member shall exercise any voting rights in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
	<b>118.</b>	<p>Subject to the provisions of Section 43 and sub-section (2) of Section 50 of the Companies Act, 2013, every member of the Company holding any equity share capital shall have a right to vote on every resolution placed before the Company; and his voting rights on a poll shall be in proportion to his share of the paid-up equity share capital of the Company. Every member holding any preference share capital of the Company, shall, in respect of such capital, have the right to vote only on resolutions placed before the Company which directly affect the rights attached to his preference shares and any resolution for the winding up of the Company or for the repayment or reduction of its equity or preference share capital and his voting rights on a poll shall be in proportion to his share in the paid up preference share capital of the Company. Provided that the proportion of the voting rights of equity shareholders to the voting rights of the preference shareholders shall be in the same proportion as the paid-up capital in respect of the equity shares bears to the paid-up capital in respect of the preference shares:</p> <p>PROVIDED FURTHER that where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all the resolutions placed before the Company.</p>
	<b>119.</b>	A member of unsound mind or in respect of whom 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. A member, be a minor, the vote in respect of his share or shares shall be his guardian, or any one of his guardian, if more than one, to be elected, in case of dispute by the Chairman of the meeting.
	<b>120.</b>	If there be joint registered holders of any shares any one of such persons may vote at any meeting personally or by an agent duly authorised under a Power of Attorney or by proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting, and, if more than one of such joint holders be present at any meeting either personally or by agent or by proxy, that one of the said persons so present who stands higher on the register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holder shall be entitled to be present at the meeting; provided always that a person present at any meeting personally shall be entitled to vote in preference to a person present by an agent duly authorised under a Power of Attorney or by proxy although he name of such person present by agent or proxy stands first or higher in the Register in respect of such shares. Several executors or administrators or a deceased member in whose name shares stand shall for the purpose of these Articles be deemed joint holders thereof.
	<b>121.</b>	<p>1. A body corporate (whether a Company within the meaning of the Act or not) may, (i) if it is member of the Company by a resolution of its board of Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of any class of members of the Company; (ii) if it is a creditor, (including a holder of debentures of the Company) by a resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the Company held in pursuance of the Act or of any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.</p> <p>2. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member, creditor or holder of debentures of the Company.</p>
	<b>122.</b>	Where the President of India or the Governor of a State is a member of the Company, the President or, as the case may be, the Governor may appoint such person as he thinks fit, to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company and such a person shall be deemed to be a member of the Company and shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a member of the Company.
	<b>123.</b>	Any person entitled under the Transmission Clause to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his rights to transfer such shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
	<b>124.</b>	Subject to the provisions of these Articles vote may be given either personally or by proxy.
	<b>125.</b>	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy, or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
	<b>126.</b>	Subject to the provisions of the Act and the rules made thereunder, any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself Provided that a proxy so appointed shall not have the right to speak at

		<p>the meeting and shall not be entitled to vote except on a poll.</p> <p>PROVIDED FURTHER that a person appointed as proxy shall act on behalf of such number of members not exceeding fifty and such number of shares as may be prescribed. Every notice convening a meeting of the Company shall state that a member entitled to attend and vote is entitled to appoint one or more proxies and that the proxy need not be a member.</p> <p>Every Proxy (whether a Member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Common seal of such corporation, or be signed by an officer or an attorney duly authorised by it, and any Committee or guardian may appoint such Proxy.</p>
	<b>127.</b>	An instrument of proxy may appoint a proxy either for the purposes of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purposes of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.
	<b>128.</b>	No member present only by proxy shall be entitled to vote on a show of hands.
	<b>129.</b>	The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority, shall be deposited at the office forty-eight hours before the time for holding the meetings at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
	<b>130.</b>	Every instrument of proxy whether for specified meeting or otherwise shall, as nearly as circumstances will admit, be in the form set out in the Companies (Management and Administration) Rules, 2014 (or any corresponding amendment or modification thereof that may be prescribed).
	<b>131.</b>	Every member entitled to vote at a meeting of the Company according to the provisions of these Articles on any resolution to be moved thereat, shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting, and ending with the conclusion of the meeting, to inspect proxies lodged, at any time during the business hours of the Company provided not less than three days' notice in writing of the intention so as to inspect is given to the Company.
	<b>132.</b>	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 revocation of the proxy or of any Power of Attorney or authority under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the office before the commencement of the meeting, or adjourned meeting at which the proxy is used.
	<b>133.</b>	No objection shall be made to the qualification of any vote or to the validity of the vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the Meeting.
	<b>134.</b>	The Chairman of any meeting shall be sole judge of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
	<b>135.</b>	If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If embracing other objects, copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.

<b>DIRECTORS</b>	<b>136.</b>	Until otherwise determined by a general meeting of the Company and subject to the provisions of Section 149 and 152 of the Companies Act, 2013, the number of Directors shall not be less than 3 and not more than 15 and the manner of constituting the Board shall be as prescribed under the Act and as may be directed by the Securities and Exchange Board of India.
	<b>137.</b>	The First Director of the Company is : 1. Ms. Dipna Keyur Shah, Director 2. Mr. Keyur Dipakkumar Shah, Director
	<b>138.</b>	Any Trust Deed for securing and covering the issue of debentures or debenture stocks of the Company, may provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture stocks, of some person to be a Director of the Company for and on behalf of the debenture holders for such period for which the debentures or any of them shall remain outstanding and may empower such Trustees or holder of debentures or debenture stocks, from time to time, to remove and reappoint any Director so appointed. The Director appointed under this Article is herein referred to as “Debenture Director” and the term “Debenture Director” means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provision as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.
	<b>139.</b>	Notwithstanding anything to the contrary contained in these Articles, so long as any monies remain owing by the Company to (i) the Life Insurance Corporation of India (LIC), (ii) the Infrastructure Development Finance Company Limited, (iii) specified Company referred to in the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002, (iv) institutions notified by the Central Government under sub-section (2) of Section 4A of the Companies Act, 1956, (v) such other institutions as may be notified by the Central Government in consultation with the Reserve Bank of India, or (vi) any other bank or entity providing financing facilities to the Company (each of the above is hereinafter in this Article referred to as “the Corporation”) out of any loans/debentures assistance granted by them to the Company or so long as the Corporation holds or continues to hold Debentures/Shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole-time or non-whole-time (which Director or Directors, is/are hereinafter referred to as “Nominee Director/s”) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company. The Nominee Director/s so appointed shall hold the said office only so long as any monies remain owing by the Company to the Corporation or so long as the Corporation holds or continues to hold Debentures/Shares in the Company as a result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall, ipso facto, vacate such office immediately the monies owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation. The Nominee Director/s appointed under this Article shall be entitled to receive all notices

		<p>of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director/sis/are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be, to such Nominee Director/s.</p> <p>Provided that if any such Nominee Director/s is an officer of the Corporation, the sitting fees, in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.</p> <p>Provided further that in the event of the Nominee Director/s being appointed as Managing Director/Whole Time Director/s, such Nominee Director/s shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a Whole Time Director in the management of the affairs of the Company. Such Whole Time Directors shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Corporation.</p> <p>Provided further that the appointment of Nominee Director/s as Managing/Whole Time Director/s, as aforesaid, is subject to the provisions of Sections 203 and 197 of the Companies Act, 2013 and any other applicable provisions of the Act and the rules made thereunder</p>
	<b>140.</b>	<p>In connection with any collaboration arrangement with any Company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice, the Directors may authorise such Company, corporation, firm or person (hereinafter referred to as "Collaborator") to appoint from time to time any person as a Director of the Company (hereinafter referred to as "Special Director") and subject to the provisions of the Act, may agree that such Special Directors shall not be liable to retire by rotation so however that Special Director shall hold office so long as such collaboration arrangement remains in force. The Collaborator may at any time and from time to time remove such Special Director appointed by it and may at any time after such removal and also in the case of death or resignation of the person so appointed, at anytime nominate any other person as a Special Director in his place and such nomination or removal shall be made in writing signed by the collaborator, his authorised representative and shall be delivered to the Company at its registered office. It is clarified that every collaborator entitled to appoint a Director under this Article may appoint one such person as a Director and so that if more than one collaborator is so entitled there may be at any time as many Special Directors as the number of Collaborators eligible to make the appointment.</p>
	<b>141.</b>	<p>The provisions of Articles 138,139 and 140 are subject to the provisions of Section 152 of the Companies Act, 2013, and the number of such Directors appointed under Articles 138,139,140 and 170 shall not exceed in the aggregate one-third of the total number of Directors for the time being in office. However, the Independent Director appointed under Section 152 of the Companies Act, 2013 will not be considered for the purpose of calculating the total number of Directors liable for retirement by rotation and term of such Independent Director shall be as provided under Section 149of the Companies Act, 2013.</p>
	<b>142.</b>	<p>The Board may appoint a person, not being a person holding any alternate Directorship for any other Director in the Company (hereinafter called the Original Director) to act as an Alternate Director for the Original Director during his absence for a period of not less than three months from India. Provided that no person shall be appointed as an Alternate Director for an Independent Director unless he is qualified to be appointed as</p>

		an independent Director under the provisions of the Act. Every such Alternate Director, shall subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meeting of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director is determined before he returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.
	<b>143.</b>	The Directors shall have power at anytime and from time to time to appoint any qualified person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall retain his office only upto the date upto which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid but he shall then be eligible for re-election.
	<b>144.</b>	The Directors shall also have power at any time and from time to time to appoint any other qualified person, other than a person who fails to get appointed as a Director in a general meeting of the Company, to be an Additional Director who shall hold office only up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier.
	<b>145.</b>	A Director shall not be required to hold any qualification shares.
	<b>146.</b>	The remuneration payable to a non-whole-time-Director for attending each meeting of the Board or a Committee thereof shall be such sum as may be fixed by the Board of Directors not exceeding the maximum as may be prescribed by the Act (and the rules made thereunder), SEBI, or by the Central Government. The Directors, subject to the sanction of the Central Government (if any required), may be paid such further remuneration as the Company in general meeting shall, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine; and in default of such determination shall be divided among the Directors equally.
	<b>147.</b>	Subject to the provisions of Sections 197 and 188 of the Companies Act, 2013 and other applicable provisions of the Act and the rules made thereunder, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a member of any committee formed by the Directors or in relation to signing share certificates) or to make special exertions in going or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company shall remunerate the Director so doing either by fixed sum or otherwise as may be determined by the Directors, and such remuneration may be, either in addition to or in substitution for his share in the remuneration above provided.
	<b>148.</b>	The Board of Directors may subject to the limitations provided by the Act allow and pay to any Directors who attends a meeting at a place other than his usual place or residence for the purpose of attending a meeting, such sum as the Board may consider fair compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.
	<b>149.</b>	The Continuing Directors may act notwithstanding any vacancy in their body, but if and as long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board of Directors, the Continuing Directors may act for the purpose of filling vacancies to increase the number of Directors to that fixed for the quorum or for summoning a general meeting of the Company, but for no other purpose.
	<b>150</b>	1. Subject to the provisions of Section 164 and 165 of the Companies Act, 2013, a person shall not be capable of being appointed Director of the Company, if (i) he is of unsound mind and stands so declared by a Court of competent jurisdiction (ii) he is an undercharged insolvent; (iii) he has applied to be adjudged an insolvent and his application is pending; (iv) he has been convicted by a court of any offence involving moral turpitude or

		<p>otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;  Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a Director of the Company.</p> <p>(v) he has not paid any call in respect of shares of the Company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;</p> <p>(vi) he has been convicted of the offence dealing with related party transactions under Section 188 of the Companies Act, 2013 at any time during the last preceding five years; or</p> <p>(vii) he has not complied with sub-section (3) of Section 152 of the Companies Act, 2013.</p> <p>2. No person who is or has been a Director of a Company, where the Company—</p> <p>(i) has not filed financial statements or annual returns for any continuous period of three financial years; or</p> <p>(ii) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a Director of that Company or appointed in other Company for a period of five years from the date on which the said Company fails to do so.</p>
	<b>151</b>	<p>Subject to the provisions of Section 167 of the Companies Act, 2013, the office of a Director shall become vacant if :</p> <p>(i) he incurs any of the disqualifications specified in Section 164 of the Companies Act, 2013;</p> <p>(ii) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;</p> <p>(iii) he acts in contravention of the provisions of Section 184 of the Companies Act, 2013, relating to entering into contracts or arrangements in which he is directly or indirectly interested;</p> <p>(iv) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of Section 184 of the Companies Act, 2013;</p> <p>(v) he becomes disqualified by an order of a court or the Tribunal;</p> <p>(vi) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months: Provided that the office shall be vacated by the Director even if he has filed an appeal against the order of such court;</p> <p>(vii) he is removed in pursuance of the provisions of the Act;</p> <p>(viii) he, having been appointed a Director by virtue of his holding any office or other employment in the holding, subsidiary or associate Company, ceases to hold such office or other employment in that Company.</p>
	<b>152.</b>	<p>1. The Company may (subject to the provisions of Section 169 and other applicable provisions of the Companies Act, 2013 and these Articles) by ordinary resolution remove any Director before the expiry of his period of office.  Provided that nothing contained in this sub-clause shall apply where the Company has availed itself of the option given to it under Section 163 of the Companies Act, 2013, to appoint not less than two-thirds of the total number of Directors according to the principle of proportional representation.</p> <p>2. Special notice shall be required of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.</p> <p>3. On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be</p>



		<p>heard on the resolution at the meeting.</p> <p>4. Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so - (i) in the notice of the resolution given to the members of the Company, state the fact of the representations having been made, and (ii) send a copy of the representations to every member of the Company to whom notice of the meeting is sent (before or after the receipt of the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting:</p> <p>Provided that copies of the representations need not be sent or read out at the meeting if on the application either of the Company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter, and the Tribunal may order the Company's costs on the application to be paid in whole or in part by the Director notwithstanding that he is not a party to it.</p> <p>5. A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board be filled by the appointment of another Director in his stead at the meeting at which he is removed; Provided special notice of the intended appointment has been given. A Director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed as afore-said.</p> <p>6. If the vacancy is not filled under sub-clause (5), it may be filled as a casual vacancy in accordance with the provisions of the Act.</p> <p>7. A Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.</p> <p>8. Nothing contained in this Article shall be taken:</p> <p>i) as depriving a person removed hereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director as per the terms of contract or terms of his appointment as Director, or of any other appointment terminating with that as Director; or</p> <p>ii) as derogating from any power to remove a Director under the provisions of the Act.</p>
	<p><b>153.</b></p>	<p>1. Every Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors, in the manner provided in Section 184 of the Companies Act, 2013.</p> <p>2. Every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into—</p> <p>(i) with a body corporate in which such Director or such Director in association with any other Director, holds more than two per cent of the share-holding of that body corporate, or is a promoter, manager, chief executive officer of that body corporate; or</p> <p>(ii) with a firm or other entity in which, such Director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting:</p> <p>Provided that where any Director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting</p>

		<p>of the Board held after he becomes so concerned or interested.</p> <p>3. Nothing in this Article shall –</p> <p>(i) be taken to prejudice the operation of any rule of law restricting a Director of the Company from having any concern or interest in any contract or arrangement with the Company;</p> <p>(ii) apply to any contract or arrangement entered into or to be entered into between the Company and any other Company where any one or more of the Directors of the Company together holds or hold not more than two per-cent of the paid up share capital in other Company.</p>
	<b>154.</b>	<p>1. Except with the consent of the Board of Directors of the Company (or the Audit Committee) given by a resolution at a meeting of the Board and subject to such conditions as may be prescribed by the Company, a Company shall not enter into any contract or arrangement with a related party with respect to,</p> <p>(i) sale, purchase or supply of any goods or materials;</p> <p>(ii) selling or otherwise disposing of, or buying, property of any kind;</p> <p>(iii) leasing of property of any kind;</p> <p>(iv) availing or rendering of any services;</p> <p>(v) appointment of any agent for purchase or sale of goods, materials, services or property;</p> <p>(vi) such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and</p> <p>(vii) underwriting the subscription of any securities or derivatives thereof, of the Company:</p> <p>Notwithstanding the provisions of this sub-clause (1) of this Article, where prescribed, the Company shall enter into such contracts and / or arrangements only with the prior approval of the members of the Company by a special resolution. However, no member of the Company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the Company, if such member is a related party:</p> <p>It is clarified that this sub-clause shall not apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.</p> <p>2. Every contract or arrangement entered into under sub-clause (1) shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.</p>
	<b>155.</b>	<p>If the Company –</p> <p>(i) enters into a contract for the appointment of a manager or a Managing Director of the Company in which contract any Director of the Company is in any way directly or indirectly concerned or interested, or</p> <p>(ii) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 302 of the Companies Act, 1956 or other applicable provisions of law shall be complied with.</p>
	<b>156.</b>	<p>Subject to the provisions of Section 185 of the Companies Act, 2013, the Company shall not, directly or indirectly make any loan to any of its Directors or to any other person in whom the Director is interested or give any guarantee or provide any security in connection with a loan taken by him or such other person.</p>
	<b>157.</b>	<p>The Company shall observe the restrictions imposed on the Company in regard to making any loans, giving any guarantee or providing any security to the companies or bodies corporate under the same management as provided in Section 186 of the Companies Act, 2013.</p>
	<b>158.</b>	<p>No Director of the Company shall as a Director take any part in the discussion of or vote on any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is in any way whether directly or indirectly concerned or interested in such contract or arrangement nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote, it</p>

		shall be void;
<b>ROTATION &amp; APPOINTMENT OF DIRECTORS</b>	<b>159.</b>	A Director may be or become a Director of any Company or in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as Director or shareholder of such Company except in so far as Section 197 or Section 188 of the Companies Act, 2013 (and the rules made thereunder) may be applicable.
	<b>160.</b>	Not less than two-thirds of the total number of Directors shall (i) be persons whose period of the office is liable to determination by retirement of Directors by rotation and (ii) save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.
	<b>161.</b>	Subject to the provisions of Section 152(6) and 152(7) of the Companies Act, 2013, at every annual general meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three the number nearest to one-third, shall retire from office. The Debenture Directors, Corporation Directors, Special Directors, or Managing Directors, if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.
	<b>162.</b>	The Directors who retire by rotation under Article 161 at every annual general meeting shall be those who have been longest in office since their last appointment, but as between those who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot.
	<b>163.</b>	A retiring Director shall be eligible for the re-appointment.
	<b>164.</b>	Subject to the provisions of the Act, the Company at the annual general meeting at which a Director retires in manner aforesaid may fill up the vacancy by appointing the retiring Director or some other person thereto.
	<b>165.</b>	<ol style="list-style-type: none"> <li>1. If the place of retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday till the next succeeding day which is not a public holiday, at the same time and place.</li> <li>2. If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless <ol style="list-style-type: none"> <li>i) at the meeting or the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;</li> <li>ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;</li> <li>iii) he is not qualified or is disqualified for appointment; or</li> <li>iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of the Act,</li> </ol> </li> </ol>
	<b>166.</b>	Subject to the provisions of Sections 149 and 152 of the Companies Act, 2013, the Company may, by special resolution, from time to time, increase or reduce the number of Directors and may prescribe or alter qualifications.
	<b>167.</b>	<ol style="list-style-type: none"> <li>1. No motion at any general meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.</li> <li>2. A resolution moved in contravention of clause (1) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided where a resolution so moved is passed, no provision for the automatic reappointment of retiring Director in default of another appointment as herein-before provided, shall apply.</li> <li>3. For the purpose of this Article, a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his</li> </ol>

		appointment.
	<b>168.</b>	<ol style="list-style-type: none"> <li>1. Subject to the provisions of the Act, a person, not being a Retiring Director in terms of Section 152 of the Companies Act, 2013, shall be eligible for appointment to the office of Director at any general meeting if he or some other member intending to propose him has, at least fourteen days before the meeting, left at the registered office of the Company a special notice in writing under his hand signifying his candidature for the office of a Director or the intention of such member to propose him as a Director for office as the case may be along with the deposit of Rupees one lakh or such higher amount as may be prescribed which shall be refunded to such person or as the case may be, to the member, if the person succeeds in getting elected as a Director or secures more than 25% of the total valid votes cast either by way of show of hands or on a poll on such resolution.</li> <li>2. The Company shall inform its members of the candidature of the person for the office of Director in such manner as may be prescribed.</li> <li>3. Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company, a notice under Section 160 of the Companies Act, 2013, signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director if appointed.</li> <li>4. A person other than : <ol style="list-style-type: none"> <li>(i) A Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or</li> <li>(ii) An Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 161 of the Companies Act, 2013, appointed as a Director or re-appointed as an Additional or Alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.</li> </ol> </li> </ol>
	<b>169.</b>	The Company shall keep at its registered office a Register containing the particulars of its Directors and key managerial personnel as specified in Section 170 of the Act, and shall send to the Registrar a Return containing the particulars specified in such Register, and shall otherwise comply with the provisions of the said Section in all respects.
<b>MANAGING DIRECTOR, WHOLE TIME DIRECTOR</b>	<b>170.</b>	Subject to the provisions of Section 196, 203 and other applicable provision of the Companies Act, 2013, and these Articles, the Directors shall have power to appoint or re-appointment any person to be Managing Director, or Whole-Time Director for a term not exceeding five years at a time Provided that no re-appointment shall be made earlier than one year before the expiry of his term. Such a Managing Director can also act as chairperson of the Company.
	<b>171.</b>	Subject to the provisions of the Act and these Articles, the Managing Director, or the Whole Time Director shall not, while he continues to hold that office, be subject to retirement by rotation under Article 160 but he shall be subject to the provisions of any contract between him and the Company, be subject to the same provisions as the resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be a Managing Director or Whole Time Director if he ceases to hold the office of Director from any cause provided that if at any time the number of Directors (including Managing Director or Whole Time Directors) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such of the Managing Director or Whole Time Director or two or more of them as the Directors may from time to time determine shall be liable to retirement by rotation in to the intent that the Directors so liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.
	<b>172.</b>	The remuneration of the Managing Director, Whole Time Director, or Manager shall (subject to Sections 197 to 200 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors from time to time and may be by way of fixed salary and/or perquisites or commission

		on profits of the Company or by participation in such profits, or by fee for such meeting of the Board or by all these modes or any other mode not expressly prohibited by the Act.
	<b>173.</b>	Subject to the superintendence, control and direction of the Board the day to day management of the Company shall be in the hands of the Managing Director(s) and/or Whole Time Director(s) appointed under Article 170 with power to the Board to distribute such day to day management functions among such Director(s) in any manner as deemed fit by the Board and subject to the provisions of the Act and these Articles the Board may by resolution vest any such Managing Director or Managing Directors or Whole Time Director or Whole Time Directors such of the power hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine and they may subject to the provisions of the Act and these Articles confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.
<b>KEY MANAGERIAL PERSONNEL</b>	<b>174.</b>	Subject to the provisions of the Act and rules thereunder: i) Key Managerial Personnel (A Chief Executive Officer, or Managing Director or Manager, Company Secretary, Whole-time Director, Chief Financial Officer and such other officer as may be prescribed) shall be appointed by the Board of Directors for such terms at such remuneration and upon such terms and conditions as it may think fit and any Key Managerial Personnel so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more Chief Executive Officers for its multiple business. ii) A director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer. Any provision of the Act or these articles requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, Company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of Chief Executive Officer, Manager, Company Secretary, or Chief Financial Officer.
<b>PROCEEDINGS OF THE BOARD OF DIRECTORS</b>	<b>175.</b>	The Directors may meet together as a Board for the dispatch of business from time to time, and unless the Central Government by virtue of the proviso to Section 173 of the Companies Act, 2013 otherwise directs, shall so meet at least once in every one hundred and twenty days and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.
	<b>176.</b>	1. Notice of every meeting of the Board of Directors shall be given in writing to every Director for the time being in India, and at his usual address in India to every other Director. 2. A Director may at any time and the Secretary upon the request of Director made at any time shall convene a meeting of the Board of Directors by giving a notice in writing to every Director for the time being in India and at his usual address in India to every other Director. Notice may be given by telex or telegram to any Director who is not in India.
	<b>177.</b>	1. Subject to Section 174 of the Companies Act, 2013 the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher, PROVIDED that where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the total strength, the number of the remaining Directors (that is to say, the number of Directors who are not interested) present at the meeting being not less than two shall be quorum during such time. 2. For the purpose of clause (1) : (i) "Total Strength" of the Board of Directors of the Company shall be determined in pursuance of the Act, after deducting there from number of the Directors, if any,

		whose places may be vacant at the time, and (ii) "Interested Directors" means any Director whose presence cannot by reason of Article 158 hereof or any other provisions in the Act count for the purpose of forming a quorum at a meeting of the Board, at the time of the discussion or vote on any matter.
	<b>178.</b>	If a meeting of the Board could not be held for want of quorum then the meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place.
	<b>179.</b>	One of the Directors shall be the Chairman of the Board of Directors who shall preside at all meetings of the Board. If at any meeting the Chairman is not present at the time appointed for the meeting then the Directors present shall elect one of them as Chairman who shall preside.
	<b>180.</b>	Subject to provisions of Section 203 of the Companies Act, 2013, and other applicable provisions of law, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes, the Chairman shall have second or casting vote.
	<b>181</b>	A meeting of the Board of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or these Articles or the regulations for the time being of the Company are vested in or are exercisable by the Board of Directors generally.
	<b>182.</b>	The Board of Directors may, subject to the provisions of Section 179 of the Companies Act, 2013, and other relevant provisions of the Act and these Articles, appoint committees of the Board, and delegate any of the powers other than the powers to make calls and to issue debentures to such committee or committees and may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to the persons or purposes, but every committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointment, but not otherwise, shall have the like force and effect, as if done by the Board.
	<b>183.</b>	The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.
	<b>184.</b>	<ol style="list-style-type: none"> <li>1. A resolution passed by circular without a meeting of the Board or a Committee of the Board appointed under Article 182 shall subject to the provisions of sub-clause (2) hereof and the Act be as valid and effectual as the resolution duly passed at meeting of, the Directors or of a Committee duly called and held.</li> <li>2. A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, if the resolution, has been circulated in draft together with necessary papers, if any, to all the Directors or to all the members of the Committee then in India (not being less in number than in the quorum fixed for a meeting of the Board or Committee as the case may be), and to all other Directors or members of the Committee at their usual addresses in India in accordance with the provisions of Section 175(1) of the Companies Act, 2013, and has been approved by such of the Directors or members of the Committee as are in India or by a majority of such of them as are entitled to vote on the resolution.</li> </ol>
	<b>185.</b>	All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of one or more of such Directors or any

		<p>person acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director. Provided nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.</p>
<b>POWERS OF THE BOARD</b>	<b>186.</b>	<p>Subject to the provisions of the Act, the business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in general meeting, subject nevertheless to these Articles to the provisions of the Act, or any other Act and to such regulations (being not inconsistent with the aforesaid regulations or provisions), as may be prescribed by the Company in general meeting but no regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made, PROVIDED that the Board shall not, except with the consent of the Company by a special resolution in a general meeting:</p> <ul style="list-style-type: none"> <li>(i) sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking;</li> <li>(ii) remit, or give time for the payment of any debt due by a Director;</li> <li>(iii) invest otherwise than in trust securities the amount of compensation received by the Company as a result of a merger or amalgamation;</li> <li>(iv) borrow money where the money to be borrowed together with the money already borrowed by the Company will exceed the aggregate of the paid up capital of the Company and its free reserves, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business); or,</li> <li>(v) Provided that in respect of the matter referred to in sub-clause (iv) such consent shall be obtained by a resolution of the Company which shall specify the total amount upto which monies may be borrowed by the Board under clause (iv);</li> <li>(vi) Provided further that the expression "temporary loans" in clause (iv) above shall mean loans repayable on demand or within six months from the date of the loan such as short term, cash credit arrangements, the discounting of bills and the issue of other short term loans of a reasonable character, but does not include loans raised for the purpose of financing expenditure of a capital nature.</li> </ul>
	<b>187.</b>	<p>Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolution passed at the meetings of the Board :</p> <ul style="list-style-type: none"> <li>(i) to make calls on shareholders in respect of money unpaid on their shares;</li> <li>(ii) to authorise buy-back of securities under Section 68 of the Companies Act, 2013;</li> <li>(iii) to borrow monies;</li> <li>(iv) to invest the funds of the Company;</li> <li>(v) to grant loans or give guarantee or provide security in respect of loans;</li> <li>(vi) to approve financial statement and the Board's report;</li> <li>(vii) to diversify the business of the Company;</li> <li>(viii) to approve amalgamation, merger or reconstruction;</li> <li>(ix) to take over a Company or acquire a controlling or substantial stake in another Company;</li> <li>(x) any other matter which may be prescribed under the Act and the rules made thereunder.</li> </ul> <p>Provided that the Board may by resolution passed at a meeting delegate to any Committee of Directors, Managing Director or any other principal officer of the Company, or in case of branch office of the Company a principal officer of the branch office, the powers specified in (iii), (iv) and (v) of this sub-clause on such terms as it may specify.</p>

	<p><b>188.</b></p>	<p>Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers and without prejudice to the last preceding Article it is hereby declared that the Directors shall have the following powers that is to say, power:</p> <ol style="list-style-type: none"> <li>1. to pay the costs, charges and expenses preliminary and incidental to the formation, promotion, establishment and registration of the Company;</li> <li>2. to pay and charge the capital account to the Company any commission or interest, lawfully payable there out under the provisions of Section 40 of the Companies Act, 2013 and other applicable provisions of law;</li> <li>3. subject to Sections 179 and 188 of the Companies Act, 2013, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at or for price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition accept such title as the Directors may believe or may be advised to be reasonably satisfactory;</li> <li>4. at their discretion and subject to the provisions of the Act to pay for any property, rights or privileges by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;</li> <li>5. to secure the fulfillments of any contracts or engagement entered into by the Company mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit;</li> <li>6. to accept from any member, so far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;</li> <li>7. to appoint any person to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees;</li> <li>8. to institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its officer, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment on satisfaction of any debts due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian law or according to foreign law and either in India or abroad and observe and perform or challenge any award made therein;</li> <li>9. to act on behalf of the Company in all matters relating to bankrupts and insolvents;</li> <li>10. to make and give receipts, release and other discharge for monies payable to the Company and for the claims and demands of the Company;</li> <li>11. subject to the provisions of Sections 179, 180 and 186, of the Companies Act, 2013 and other applicable provisions of law, to invest and deal with any monies of the Company not immediately required for the purpose thereof, upon such security (not being the shares of this Company) or without security and in such manner as they may think fit, and from time to time to vary or realise such investments. Save as provided in Section 187 of the Companies Act, 2013, all investments shall be made and held in the Company's own name;</li> <li>12. to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgage of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;</li> </ol>
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<p><b>COMMITTEES OF BOARD OF DIRECTORS</b></p>	<p><b>189.</b></p>	<p>Pursuant to the Applicable Sections of the Companies Act, 2013, Rules framed there under, Listing Agreement, and various SEBI law, rules, regulations, notifications, circulars, etc. published/issued from time to time in this regard, the Board of Directors shall constitute Audit Committee, Nomination &amp; Remuneration Committee, Corporate Social Responsibility Committee, Stake holders Relationship Committee and such other committees as Board of Directors thinks proper.</p> <p>The Committees of Board of Directors shall exercise powers, functions and discharge duties as assign to it pursuant to the Companies Act, 2013, Rules framed there under, Listing Agreement, Secretarial Standards and various SEBI laws, rules, regulations, notifications, circulars etc. issued from time to time in this regard. Apart to statutory duties, functions, the Committees may also discharge the duties, perform functions as assign to it by the Board of Directors of the Company.</p>

<b>MINUTES</b>	<b>190.</b>	<ol style="list-style-type: none"> <li>1. The Company shall cause minutes of all proceedings of general meetings of any class of shareholders or creditors, and every resolution passed by postal ballot or by electronic means and every meeting of the Board of Directors or of every committee of the Board to be prepared and signed in such manner as may be prescribed and kept within thirty days of the conclusion of every such meeting concerned, or passing of resolution by postal ballot in books kept for that purpose with their pages consecutively numbered.</li> <li>2. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</li> <li>3. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings.</li> <li>4. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain: <ol style="list-style-type: none"> <li>(i) the names of the Directors present at the meeting; and</li> <li>(ii) in the case of each resolution at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.</li> </ol> </li> <li>5. Nothing contained in clauses (1) to (4) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chair-man of the meeting:</li> </ol>
	<b>191.</b>	The minutes of meeting kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein,
	<b>192.</b>	Where the minutes of the proceedings of any general meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with provisions of Section 118 of the Companies Act, 2013, until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings thereat to have been duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.
	<b>193.</b>	<ol style="list-style-type: none"> <li>1. The books containing the minutes or the proceedings of any general meeting of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Companies Act, 2013, be determined by the Company in general meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</li> <li>2. Any member of the Company shall be entitled to be furnished within seven working days after he has made a request in that behalf to the Company and on payment of such sums as may be prescribed, with a copy of any minutes referred to in sub-clause (1) hereof.</li> </ol>
	<b>194.</b>	No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Companies Act, 2013 to be contained in the minutes of the proceedings of such meetings.
<b>MANAGEMENT</b>	<b>195.</b>	The Company shall not appoint or employ at the same time a Managing Director and a Manager.
	<b>196.</b>	Subject to the provisions of the Act – <ol style="list-style-type: none"> <li>(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 financial officer so appointed may be removed by means of a resolution of the Board;</li> <li>(ii) a Director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.</li> </ol>
	<b>197.</b>	<ol style="list-style-type: none"> <li>1. 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 it being done by or to the same person acting both as Director and as, or in place of, the chief executive officer, manager, Company secretary or chief financial officer.</li> </ol>

		2. the Seal shall not be affixed to any instrument except by the authority of the Board of Directors or a Committee of the Board previously given and in the presence of any two officials of the Company or such other person, the Board may appoint in that behalf who shall sign every instrument to which the Seal is affixed. Provided that the certificates of shares or debentures shall be sealed in the manner and in conformity with the provisions of the Companies (Share Capital and Debenture) Rules, 2014, and their statutory modifications for the time being in force.
<b>THE SEAL</b>	<b>198.</b>	The Board shall provide for the safe custody of the seal and the Seal shall never be used except by the authority previously given by the Board or a Committee of the Board authorised by the Board in that behalf. Every deed or other instruments to which the seal of the Company is required to be affixed shall unless the same is executed by a duly constituted attorney be signed by two directors or one director as may be provided by the Board/Committee resolution authorizing such affixation and shall be counter signed by the Secretary or some other person appointed by the Board for the purpose. Provided nevertheless that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Board to issue the same.
	<b>199.</b>	1. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company dividends may be declared and paid according to the amounts of the shares. 2. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. 3. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms provided that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
	<b>200.</b>	The Company in general meeting may declare dividends, to be paid to members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.
	<b>201.</b>	1. No dividend shall be declared or paid by the Company for any financial year except (i) out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of sub-clause (2) or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both; or (ii) out of the monies provided by the Central Government or State government for the payment of dividend in pursuance or guarantee given by the Government. 2. For the purposes of sub-clause (1), the depreciation shall be provided in accordance with the provisions of Schedule II of the Companies Act, 2013. 3. No dividend shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by members of the Company.
	<b>202.</b>	The Board of Directors may from time to time, pay to the members such interim dividends as in their judgment the position of the Company justifies.
	<b>203.</b>	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
	<b>204.</b>	Where the capital is paid in advance of the calls upon the footing that the same shall

		carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.
	<b>205.</b>	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.
	<b>206.</b>	The Board of Directors may retain the dividend payable upon shares in respect of which any person under the Transmission Clause has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.
	<b>207.</b>	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any member all such sums of monies so due from him to the Company.
	<b>208.</b>	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.
	<b>209.</b>	Any one of several persons who are registered as joint holders of any share may give effectual receipt for all dividends or bonus and payments on account of dividends in respect of such share.
	<b>210.</b>	The dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend or in case of joint-holders to the registered address of that one of the joint-holders which is first named on the register of members or to such person and to such address as the holder or the joint-holder may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission or for any dividend lost, to the member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.
	<b>211.</b>	Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holder of share in the manner herein provided.
	<b>212.</b>	<p>1. The Company shall pay the dividend or send the warrant in respect thereof to the shareholder entitled to the payment of dividend, within thirty days from the date of the declaration unless :</p> <ul style="list-style-type: none"> <li>(i) where the dividend could not be paid by reason of the operation of any law;</li> <li>(ii) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with;</li> <li>(iii) where there is a dispute regarding the right to receive the dividend;</li> <li>(iv) where the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder, or</li> <li>(v) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.</li> </ul> <p>2. (i) where the dividend has been declared or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment thereof the Company shall within seven days from the date of expiry or the said period of thirty days transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days to a special account to be opened by the Company in that behalf in any Scheduled Bank to be called “Unpaid Dividend Account of DIPNA PHARMACHEM LIMITED FOR THE YEAR _____”</p> <p>(ii) The Company shall, within a period of ninety days of making any transfer of an amount under sub clause (i) to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the Company, if any, and also on any other website approved by the Central Government for this purpose, in such form,</p>

		<p>manner and other particulars as may be prescribed.</p> <p>(iii) If any default is made in transferring the total amount referred to in sub-clause (1) or any part thereof to the Unpaid Dividend Account of the Company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent per annum and the interest accruing on such amount shall ensure to the benefit of the members of the Company in proportion to the amount remaining unpaid to them.</p> <p>(iv) Any person claiming to be entitled to any money transferred under sub-clause (1) to the Unpaid Dividend Account of the Company may apply to the Company for payment of the money claimed.</p> <p>(iv) any money transferred to the Unpaid Dividend Account of the Company in pursuance of this Article which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company along with interest accrued, if any, thereon to the Investor Education and Protection Fund of the Central Government.</p> <p>(v) the Company shall when making any transfer to the Investor Education and Protection Fund of the Central Government any unpaid or unclaimed dividend, furnish to such officer as the Central Government may appoint in this behalf a statement in the prescribed form seeing forth in respect of all sums included in such transfer, the nature of the sums, the names and last known addresses of the persons entitled to receive the sum, the amount to which each person is entitled and the nature of his claim thereto and such other particulars as may be prescribed. That there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law;</p> <p>vi) No unpaid dividend shall bear interest as against the Company.</p>
<b>CAPITALISATION</b>	<b>213.</b>	<p>1. The Company in General Meeting may, upon the recommendation of the Board, resolve :</p> <p>i. that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the Profit and Loss Account or otherwise available for distributions; and</p> <p>(ii) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>2. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision of act or towards:</p> <p>(i) paying up any amount for the time being unpaid on any shares held by such members respectively;</p> <p>(ii) paying up in full unissued shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii);</p> <p>(iv) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;</p> <p>(v) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>
	<b>214.</b>	<p>Whenever such a resolution as aforesaid shall have been passed, the Board shall</p> <p>(i) 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</p> <p>(ii) generally do all acts and things required to give effect thereto.</p> <p>The Board shall have full power :</p> <p>(i) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in the case of shares becoming distributable in fractions and also</p>

		<p>(ii) to authorise any person to enter, on behalf of all the members entitled thereto, into an arrangement 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 the profits resolved to be capitalised to the amounts of any part of the amounts remaining unpaid on their existing shares.</p> <p>Any agreement made under such authority shall be effective and binding on all such members</p> <p>That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificate as they think fit.</p>
<b>ACCOUNTS</b>	<b>215.</b>	<p>1. The Company shall prepare and keep at its registered office proper books of account and other relevant books and papers and financial statement for every financial year in accordance with Section 128 of the Companies Act, 2013, as would give a true and fair view of the state of affairs of the Company including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting:</p> <p>Provided that all or any of the books of accounts aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decide the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.</p> <p>Provided further that the Company may keep such books of account or other relevant papers in electronic mode in such manner as may be prescribed.</p> <p>2. Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of sub-clause (1) if proper books of accounts relating to the transactions affected at the branch are kept at that office and proper summarised returns made upto date at intervals of not more than three months are sent by the branch office to the Company at its registered office or the other place referred to in sub-clause (1).</p> <p>The books of accounts and other books and paper maintained by the Company within India shall be open to inspection at the registered office of the Company or at such other place in India by any Director during business hours and in the case of financial information, if any, maintained outside the country, copies of such financial information shall be maintained and produced for inspection by any Director subject to such conditions as may be prescribed:</p> <p>Provided that the inspection in respect of any subsidiary of the Company shall be done only by the person authorised in this behalf by a resolution of the Board of Directors.</p> <p>3. The books of account of the Company relating to a period of not less than eight financial years immediately preceding a financial year, or where the Company had been in existence for a period less than eight years, in respect of all the pre-eding years together with the vouchers relevant to any entry in such books of account shall be kept in good order:</p> <p>Provided that where an investigation has been ordered in respect of the Company under Chapter XIV of the Companies Act, 2013, the Central Government may direct that the books of account may be kept for such longer period as it may deem fit.</p>
	<b>216.</b>	<p>1. The Board of Directors shall in accordance with Section 129, 133 and 134 of the Companies Act, 2013 and the rules made thereunder, cause to be prepared and laid before each annual general meeting, financial statements for the financial year of the Company which shall be a date which shall not precede the day of the meeting</p>

		<p>by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.</p> <p>2. The financial statements of the Company shall give a true and fair view of the state of affairs of the Company and comply with the accounting standard notified under Section 133 of the Companies Act, 2013 and shall be in the form set out in Schedule III to the Companies Act, 2013.</p> <p>Provided that the items contained in such financial statements shall be in accordance with the accounting standards.</p> <p>3. In case the Company has one or more subsidiaries, it shall, in addition to financial statements provided under sub-clause (1), prepare a consolidated financial statement of the Company and of all the subsidiaries in the same form and manner as that of its own which shall also be laid before the annual general meeting of the Company along with the laying of its financial statement under sub-section (1):  Provided that the Company shall also attach along with its financial statement, a separate statement containing the salient features of the financial statement of its subsidiary or subsidiaries in such form as may be prescribed:  Provided further that the Central Government may provide for the consolidation of accounts of companies in such manner as may be prescribed.  For the purposes of this sub-clause, the word “subsidiary” shall include associate Company and joint venture.</p> <p>4. A copy of financial statements and every other document required by law to be annexed or attached thereto, shall at least twenty- one day before the meeting at which the same are to be laid before Members, be sent to Members of the Company, to holders of debentures issued by the Company (not being debentures which ex-facie are payable to the bearer thereof), to trustee for the holders of such debentures and to all persons entitled to receive notice of General Meetings of the Company.</p>
<b>AUDIT</b>	<b>217.</b>	Once at least in every year the accounts of the Company shall be audited and the correctness of the financial statements ascertained by one or more Auditor or Auditors.
	<b>218.</b>	<p>1. Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with the provisions of Chapter X of the Companies Act, 2013 and the rules made thereunder.</p> <p>2. Subject to the provisions of Section 139 of the Companies Act, 2013, the Company shall at the first annual general meeting appoint an individual or a firm as an Auditor to hold office from conclusion of that meeting until the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditors by the members of the Company at such meeting shall be such as may be prescribed.</p> <p>Provided that the Company shall place the matter relating to such appointment for ratification by members at every annual general meeting;  Provided further that before such appointment is made, the written consent of the auditor to such appointment and a certificate from him or it that the appointment, if made, shall be in accordance with the conditions as may be pre-scribed, shall be obtained from the auditor:  Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided in Section 141 of the Companies Act, 2013:  Provided also that the Company shall inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed. “Appointment” includes reappointment.</p>
<b>DOCUMENTS AND NOTICES</b>	<b>219.</b>	<p>1. A document or notice may be served by the Company on any member thereof either personally or by sending it by registered post or by speed post or by courier service or by leaving it at his registered address or if he has no registered address in India, to the address if any, within India supplied by him to the Company for serving documents or notice on him or by means of such electronic or other mode as may</p>



		<p>be prescribed.</p> <p>2. A document or notice advertised in a newspaper circulating in the neighborhood of the registered office of the Company shall be deemed to be duly served on the day on which the advertisement appears, on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him.</p> <p>3. A document or notice may be served by the Company on the joint holders of a share by serving it on the joint holder named first in the Register in respect of the share.</p> <p>4. A document or notice may be served by the Company on the person entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter, addressed to them by name or by title of representatives of the deceased, or assignees of the insolvent or by any like description, at the address, if any, in India supplied for the purpose by the person claiming to be so entitled, or until such an address has been so supplied, serving the document or notice in any manner in which it might have been served if the death or insolvency had not occurred.</p> <p>5. The signature to any document or notice to be given by the Company may be written or printed or lithographed.</p>
	<b>220.</b>	Document or notice of every general meeting shall be served or given in the same manner hereinbefore authorised on or to (i) every member, (ii) every person entitled to a share in consequence of the death or insolvency of a member and (iii) the auditor or auditors for the time being of the Company, PROVIDED that when the notice of the meeting is given by advertising the same in newspaper circulating in the neighborhood of the office of the Company under Article 93 a statement of material facts referred to in Article 93 need not be annexed to the notice, as is required by that Article, but is shall merely be mentioned in the advertisement that the statement has been forwarded to the members of the Company.
	<b>221.</b>	Every person who by operation of law, transfer or other means whatsoever, has become entitled to any share shall be bound by every document or notice in respect of such share, which prior to his name and address being entered on the Register of Members, shall have been duly served on or give to the person from whom he derived his title to such share.
	<b>222.</b>	A document may be served on the Company or an officer thereof by sending it to the Company or officer at the registered office of the Company by Registered Post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be prescribed: Provided that where securities are held with a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic or other mode.
	<b>223.</b>	Save as provided in the Act or the rules made thereunder for filing of documents with the Registrar in electronic mode, a document may be served on the Registrar or any member by sending it to him at his office by post or by Registered Post or by speed post or by courier or delivering it to or leaving it for him at his office, or by such electronic or other mode as may be prescribed. Provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the Company in its annual general meeting. The term “courier” means a person or agency which delivers the document and provides proof of its delivery.
	<b>224.</b>	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company or contracts made on behalf of the Company may be signed by a Director, any key managerial personnel or other officer of the Company duly authorised by the Board of the Company and need not be under the Common Seal of the Company.
<b>REGISTERS AND DOCUMENTS</b>	<b>225.</b>	The Company shall keep and maintain Registers, Books and Documents as required by the Act or these Articles, including the following :

		<ol style="list-style-type: none"> <li>1. Register of Investments made by the Company but not held in its own name, as required by Section 187(3) of the Companies Act, 2013, and shall keep it open for inspection by any member or debenture holder of the Company without charge.</li> <li>2. Register of Mortgages and Charges and copies of instrument creating any charge requiring registration according to Section 85 of the Companies Act, 2013, and shall keep them open for inspection by any creditor or member of the Company without fee and for inspection by any person on payment of a fee of rupee ten for each inspection.</li> <li>3. Register and Index of Members as required by Section 88 of the Companies Act, 2013, and shall keep the same open for inspection during business hours, at such reasonable time on every working day as the Board may decide by any member, debenture holder, other security holder or beneficial owner without payment of fee and by any other person on payment of a fee of rupees fifty for each inspection.</li> <li>4. Register and Index of Debenture Holders or Security Holders under Section 88 of the Companies Act, 2013, and keep it open for inspection during business hours, at such reasonable time on every working day as the Board may decide by any member, debenture holder, other security holder or beneficial owner without payment of fee and by any other person on payment of rupees fifty for each inspection.</li> <li>5. Foreign Register, if so thought fit, as required by Section 88 of the Companies Act, 2013, and it shall be open for inspection and may be closed and extracts may be taken therefrom and copies thereof as may be required in the manner, mutatis mutandis, as is applicable to the Principal Register.</li> <li>6. Register of Contracts with related parties and companies and firms etc. in which Directors are interested as required by Section 189 of the Companies Act, 2013, and shall keep it open for inspection at the registered office of the Company during business hours by any member of the Company. The Company shall provide extracts from such register to a member of the Company on his request, within seven days from the date on which such request is made upon the payment of fee of ten rupees per page.</li> <li>7. Register of Directors and Key Managerial Personnel etc., as required by Section 170 of the Companies Act, 2013 and shall keep it open for inspection during business hours and the members of the Company shall have a right to take extracts there from and copies thereof, on a request by the members, be provided to them free of cost within thirty days. Such register shall also be kept open for inspection at every annual general meeting of the Company and shall be made accessible to any person attending the meeting.</li> <li>8. Register of Loans, Guarantee, Security and Acquisition made by the Company as required by Section 186(9) of the Companies Act, 2013. The extracts from such register may be furnished to any member of the Company on payment of fees of ten rupees for each page.</li> <li>9. Books recording minutes of all proceedings of general meeting and all proceedings at meetings of its Board of Directors or of Committee of the Board in accordance with the provisions of Section 118 of the Companies Act, 2013.</li> <li>10. Copies of Annual Returns prepared under Section 92 of the Companies Act, 2013, together with the copies of certificates and documents required to be annexed thereto.</li> </ol> <p>Provided that any member, debenture holder, security holder or beneficial owner or any other person may require a copy of any such register referred to sub-clause (3), (4) or (5), or the entries therein or the copies of annual returns referred to in sub-clause (10) above on payment of a fee of ten rupees for each page. Such copy or entries or return shall be supplied within seven days of de-posit of such fee.</p>
	<b>226.</b>	If the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the

		members in the proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively, and if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.
	<b>227.</b>	<ol style="list-style-type: none"> <li>1. If the Company shall be wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories or any of them as a Liquidator, with such sanction shall think fit.</li> <li>2. If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed) by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined upon, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 319 of the Companies Act, 2013.</li> <li>3. In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall if practicable act accordingly.</li> </ol>
	<b>228.</b>	A special resolution sanctioning a sale to any other Company duly passed pursuant to Section 319 of the Companies Act, 2013 may subject to the provisions of the Act in like manner as aforesaid, determine that any shares or other consideration receivable by the Liquidator be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential rights conferred by the said sanction.
<b>INDEMNITY</b>	<b>229.</b>	Subject to provisions of Section 197 of the Companies Act, 2013, every Director, or Officer, or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as auditor, shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act, neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Officer or Auditor or other Officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 463 of the Companies Act, 2013 in which relief is granted to him by the Court.
	<b>230.</b>	Subject to the provisions of Section 197 of the Companies Act, 2013, no Director, Auditor or other Officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for insufficiency or deficiency of any of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damages

		arising from insolvency or tortuous act of any person, firm or Company to or with whom any monies, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss, damage, or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.
<b>SECRECY CLAUSE</b>	<b>231.</b>	Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required, by the Director, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy and confidentiality in respect of all transactions and affairs of the Company 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 law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions, in these presents contained.
	<b>232.</b>	No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Directors or Managing Director or to require discovery of or any information respecting any detail of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process, or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Director; it would be inexpedient in the interest of the Company to disclose.

## SECTION X – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be delivered to the RoC for filing. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at A/211, Siddhi Vinayak Complex, Near D.A.V. School, Makarba, Ahmedabad - 380055, Gujarat between 10 a.m. and 5 p.m. (IST) on all Working Days from the date of this Draft Prospectus until the Issue Closing Date.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

#### A) Material contracts for the Issue

1. Issue Agreement dated July 01, 2022 between our Company and the Lead Manager.
2. Registrar Agreement dated July 01, 2022 between our Company and Registrar to the Issue.
3. Underwriting Agreement dated July 01, 2022 amongst our Company, the Underwriter and the Lead Manager.
4. Market Making Agreement dated July 01, 2022 amongst our Company, Market Maker and the Lead Manager.
5. Bankers to the Issue Agreement dated July 01, 2022 amongst our Company, the Lead Manager, Banker(s) to the Issue and the Registrar to the Issue.
6. Tripartite agreement dated [●] amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue.
7. Tripartite agreement dated June 21, 2022 amongst our Company, National Securities Depository Limited and Registrar to the Issue.

#### B) Material documents for the Issue

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated 16<sup>th</sup> May, 2022 in relation to the Issue and other related matters.
3. Shareholders' resolution dated 7<sup>th</sup> June, 2022 in relation to the Issue and other related matters.
4. Consents of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Reviewed Auditor, Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Underwriters to the Issue, Bankers to our Company, Banker to our Issue and Market Maker to include their names in this Draft Prospectus and to acting their respective capacities.
5. Peer Review Auditors Report dated [●] on Restated Financial Statements of our Company for period ended March 31, 2022 and the financial years ended March 31, 2021 and 2020.
6. The Report dated [●] from the Statutory Auditors of our Company, confirming the Statement of Possible Tax Benefits available to our Company and its Shareholders as disclosed in this Draft Prospectus.
7. Copy of Approval dated [●] from the SME Platform of BSE Limited (BSE SME) to use their name in the prospectus for listing of Equity Shares.
8. Agreement dated [●], entered into by our Company with Keyur Dipakkumar Shah appointment as a Managing Director of the company.
9. Due diligence certificate submitted to BSE Limited dated [●] from Lead Manager to the Issue.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

## SECTION XI – DECLARATION

We hereby declare that all the relevant provisions of the Companies Act, 1956 / Companies Act, 2013 and the guidelines /Regulations issued by the Government of India or guidelines/ regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 1956 / 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 in this Draft Prospectus are true and correct.

### Signed by the Directors of the Company:

Name	Designation	Signature
Mr. Keyur Dipakkumar Shah	Managing Director	Sd/-
Mrs. Dipna Keyur Shah	Non-Executive Director	Sd/
Mr. Nandish Shaileshbhai Jani	Independent Director	Sd/
Ms. Chinu Kalal	Independent Director	Sd/

### Signed by:

Name	Designation	Signature
Mr. Keyur Parmar	Chief Financial Officer	Sd/
Ms. Khushboo Jethaliya	Company Secretary and Compliance Officer	Sd/

Place: Ahmedabad

Date: July 14, 2022